

33rd

Annual Report 2018-19

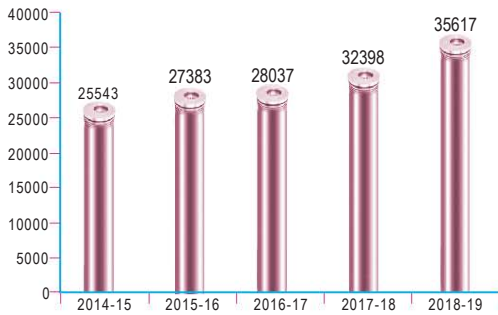


SAMKRG PISTONS AND RINGS LIMITED

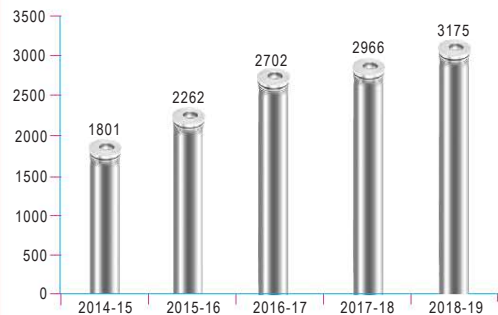
(AN ISO 9001:2015 IATF 16949:2016 Company)

PERFORMANCE HIGHLIGHTS

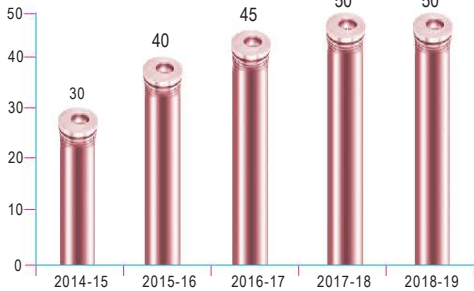
SALES (Gross) Rs. in lacs



PROFIT BEFORE (TAX) Rs. in lacs



DIVIDEND %



Gross Fixed Assets



SAMKR G PISTONS AND RINGS LIMITED

Rs. in lacs

| Particulars | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-2013 | 2011-12 | 2010-11 | 2009-10 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|
| Sales (Gross) | 35616.53 | 32397.76 | 28037.31 | 27382.56 | 25543.09 | 22810.03 | 19284.49 | 21933.89 | 19751.54 | 15033.04 |
| Sales (Net) | 28283.61 | 24527.71 | 25159.66 | 24520.09 | 23247.38 | 20562.72 | 17344.91 | 19923.59 | 16935.44 | 13260.28 |
| PBDIT | 4524.92 | 4399.49 | 4162.16 | 3587.53 | 3419.34 | 3005.85 | 2781.91 | 3212.82 | 2627.07 | 2120.09 |
| Profit before tax | 3175.20 | 2965.80 | 2702.31 | 2261.71 | 1800.82 | 1559.17 | 1272.93 | 1775.14 | 1467.15 | 1011.85 |
| Profit after tax | 2103.59 | 2015.46 | 1945.66 | 1570.15 | 1231.51 | 1074.60 | 866.93 | 1177.79 | 992.15 | 710.85 |
| Profit after tax (%) | 7.44 | 8.22 | 8.47 | 6.40 | 5.30 | 5.23 | 5.01 | 5.91 | 5.86 | 5.36 |
| Dividend paid | 491.03 | 491.03 | 441.92 | 392.82 | 294.62 | 245.51 | 245.51 | 343.72 | 441.92 | 392.82 |
| Dividend % | 50 | 50 | 45 | 40 | 30 | 25 | 25 | 35 | 45 | 40 |
| Share Capital | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 | 982.05 |
| Reserves & Surplus | 13146.69 | 11619.77 | 10148.30 | 8237.85 | 7493.06 | 6563.38 | 5776.03 | 5311.26 | 4162.83 | 3577.95 |
| Net worth | 14128.74 | 12601.82 | 11130.35 | 9219.90 | 8475.11 | 7545.43 | 6758.08 | 6293.31 | 5144.88 | 4560.00 |
| Gross Fixed Assets | 29039.88 | 26926.58 | 24422.53 | 21511.47 | 19836.24 | 18607.67 | 17488.61 | 16296.28 | 14296.96 | 13151.96 |
| EPS (Rs) | 21.42 | 20.52 | 19.81 | 15.99 | 12.54 | 10.94 | 8.83 | 12.00 | 10.10 | 7.24 |
| Book value/Share (Rs) | 143.87 | 128.32 | 113.34 | 93.88 | 86.30 | 76.83 | 68.82 | 64.08 | 52.39 | 46.43 |
| Debt Equity | Zero Debt | Zero Debt | Zero Debt | Zero Debt | Zero Debt | Zero Debt | 0.21 | 0.27 | 0.10 | 0.05 |

BOARD OF DIRECTORS

| | |
|------------------------------------|---|
| Shri S D M Rao | Chairman & Managing Director |
| Shri S Karunakar | Whole Time Executive Director |
| Shri S Kishore | Whole Time Director (Operations) |
| Shri S Madhava Rao | Director |
| Shri M N Thakkar | Director (Independent Director) |
| Ms. N Rishita | Director (Woman Independent Director) |
| Shri Kuppusetti Chaitanya Abhishek | Director (Independent Director) w.e.f. 29th October, 2018 |
| Shri Pinninti Raghu Prakash Swamy | Director (Additional Director) w.e.f. 20th April, 2019 |

Principle Officers

| | |
|------------------------------------|---|
| Shri Kota Ramesh | Chief Finance Officer |
| Shri Dinker Mishra | Company Secretary & Compliance Officer |
| Auditors | M/s. Sridhara Chary V & Co., Chartered Accountants 1-8-526, Jatkar Bhawan, Street No. 7, Chikkadapally, Hyderabad- 500020 |
| Cost Auditor | Mr. N V S Kapardhi S R T 148, S R NAGAR, HYDERABAD- 500038. |
| Bankers | State Bank of India |
| Registered Office | 1-201, Divyashakti Complex 7-1-58, Ameerpet, Hyderabad - 500 016 Tel : 040 - 23730596 Fax : 040 - 23730216 |
| Registrar and Share Transfer Agent | M/s. XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills, Hyderabad - 500034 Ph: 040-23553214 |

Factories

| | |
|---|--|
| PLANT - I i) Pistons, Pins Unit | Sy. No. 537, Temple Road Bonthapally, NarasapurTaluk Sangareddy District, Telangana |
| PLANT - II i) Cast Iron Ring Unit ii) Steel Ring Unit | Sy. No.33, Varisam, Pydibhimavaram, Ranastalam Mandal, Srikakulam District, A.P. |
| PLANT - III Pistons & Pins Unit | Sy. No.232 Arinama Akkivalasa, Allinagaram, Etcherla Mandal, Srikakulam District, A.P. |
| PLANT - IV Steel Rings | Sy. No. 537, Road Bonthapally NarasapurTaluk SangaReddy District, Telangana |

NOTICE

NOTICE is hereby given that the Thirty Third (33rd) Annual General Meeting of the Members of the SAMKRG PISTONS AND RINGS LIMITED will be held on Tuesday the 24th September, 2019 at 11:00 A.M at Hotel Grandeur, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2019 and Profit and Loss Account for the year ended on that date together with Directors' report and Auditors' report thereon.
2. To declare Dividend on Equity shares for financial year 2018-19.-
3. To appoint a Director in place of Shri S Karunakar (DIN:01665760) who retires by rotation in terms of section 152(6) of Companies Act, 2013 and being eligible, seeks re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, and as recommended by the nomination and remuneration committee in its meeting held on 28TH MAY, 2019 and Board of Directors meeting held on 29TH MAY, 2019, consent of the Members be and is hereby accorded to the re-appointment of Shri S D M Rao (DIN: 00160487) as the Managing Director of the Company for the period of 3 years with effect from 01st September 2019:

A. Remuneration:

- i. Salary: Rs.2,50,000/- per month (including Dearness Allowances) with annual increment of Rs. 50000/- per year.

B. Perquisites:

i. Perquisites

a) Housing:

Rent free furnished accommodation along with benefits of gas, fuel, water, electricity, telephone & Mobile and other communication facilities and also upkeep the maintenance of Company's furnished accommodation subject to the ceiling of 60% of the salary.

b) Medical Reimbursement:

Subject to a ceiling of one month's salary in a year or three months' salary over a period of three years. In addition to the above, medical reimbursement incurred for treatment abroad will be subject to a limit of US\$ 40,000 per year or US\$ 1,20,000 over period of three years.

c) Leave Travel Allowance:

Leave Travel Allowance will be paid by the Company for himself and his family once in a year subject to ceiling of one and half month salary in a year.

d) Club Fees:

Reimbursement of club fees, subject to maximum of two clubs.

e) Personal Accident insurance:

Personal accident insurance cover as applicable will be provided to him by the Company. Premium payable shall not exceed Rs.10,000/- per annum.

Apart from the above the Managing Director shall also be entitled to the following:

a) Provident Fund/ Superannuation Fund:

12% of the Salary as per rules of the Company or such percentage as may be specified from time to time.

Company's contribution towards Superannuation or Annuity Fund together with provident fund shall not exceed 27% of the salary as prescribed by the Income Tax Rules 1962 or any statutory modification thereof.

The contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

b) Gratuity:

Gratuity, at a rate not exceeding half month salary for each completed year of Service.

c) Company Car:

One car with the services of driver, to be maintained by the Company for official use.

d) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.

e) Leave as per Rules of the Company.

f) Entertainment Allowance: As per company rules

g) Special Allowance: Rs. 75000/- p.m

h) COMMISSION

Not more than 1% on the net profit of the Company calculated as per sections 198 of the companies act, 2013"

Minimum Remuneration

In the event of, the Company does not have profits or its profits are inadequate, he shall be paid salary and perquisites not exceeding the sum as prescribed under Schedule V of the Companies Act, 2013. However contribution to provident fund / annuity fund / gratuity and leave at the end of the tenure shall not be included.

- C. Shri S D M Rao shall be Managing Director of the Company. So long as Shri S D M Rao functions as the Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

Maximum Remuneration

Commission: 2% on the net profit of the company calculated as per section 197 and 198 of the companies act., 2013. In the event of, the Company does not have profits or its profits are inadequate, he shall be paid salary and perquisites not exceeding the sum as prescribed under Schedule V of the Companies Act, 2013. However contribution to provident fund / annuity fund / gratuity and leave at the end of the tenure shall not be included.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and as recommended by the nomination and remuneration committee in its meeting held on 28TH MAY, 2019 and Board of Directors meeting held on 29TH MAY, 2019, consent of the Members be and is hereby accorded to the re-appointment of Shri M N Thakkar (DIN: 00268818) as an Independent

Director of the Company for the period of 5 years with effect from 01st September 2019.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 151, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. K Chaitanya Abhishek (DIN: 08221971) who was appointed as additional Director by the Board on 29th October, 2018 and who in terms of section 161(1) of the Companies Act, 2013 holds office up to the date of Annual General Meeting, upon recommendation of Nomination and Remuneration Committee and Board of Directors of the Company Mr. K Chaitanya Abhishek be and is hereby appointed as Independent Director of the company to hold office for 5 consecutive years from the date of this meeting to 2024.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 151, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Pinninti Raghu Prakash Swamy (DIN: 08472327) who was appointed as additional Director by the Board on 20th April, 2019 and who in terms of section 161(1) of the Companies Act, 2013 holds office up to the date of Annual General Meeting, upon recommendation of Nomination and Remuneration Committee and Board of Directors of the Company Mr. Pinninti Raghu Prakash Swamy be and is hereby appointed as Independent Director of the company to hold office for 5 consecutive years from the date of this meeting to 2024.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not later than 48 hours before the commencement of meeting.
3. Members/Proxies should bring their copy of Annual Reports along with Attendance Slip duly filled in for attending the meeting.
4. The Register of the members and Share Transfer Books of the Company will remain closed from 18th September 2019 to 24th September 2019) (Both days inclusive).
5. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed / unpaid dividends up to the financial year ended 31st March, 2011 have been transferred to the Investor Education and Protection Fund established by the Central Government as per Section 125(1) of the Companies Act, 2013.
6. Members, who have not yet en-cashed their dividend warrant(s) for the financial years from 2011-12 to 2017-18, are requested to make their claims to the Company without any delay.
7. In the terms of notification issued by SEBI, the Equity Shares of the Company are under compulsory Demat trading for all Investors from 24th July, 2000. Shareholders are advised to hold their shares in Demat mode and to send their Share Certificates along with Dematerialization request to the RTA through their Depository Participants.
8. **The Members are requested to:**
 - i) Intimate changes, if any, in their registered address at an early date.
 - ii) Members who have multiple Folios in identical names or joint names in the same order are requested to intimate to the company those folios to enable the company to consolidate all such share holdings into a single folio.
9. **The Annual Listing fee for the year 2019-20 has been paid to BSE Ltd.**

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report through electronic means to such of the members whose e-mail address are registered with NSDL, CDSL or with the company to receive the documents in electronic form and physical copies to those shareholders whose email address have not been either registered with the company or with the DPs

To support this green initiative of the Government, members are requested to register their e-mail address and also intimate changes, if any, with the DPs, in case shares are held in Dematerialized form and with STA, in case the shares are held in physical form.

Instructions about Voting:

The Members are requested to opt for one mode of voting, i.e. either through e-voting or postal ballot. If a member casts votes by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Please refer the following detailed instructions for both voting.

1. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote at the Postal Ballot by electronic means through e-voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Select the “Samkr Pistons and Rings Limited” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | |
|-----------------------|---|
| | For Members holding shares in Demat Form and Physical Form |
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both dematshareholders as well as physical shareholders) |
| | <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. |
| | <ul style="list-style-type: none"> • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. |
| | <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Samkrg Pistons and Rings Limited>on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
3. The voting period begins on 21.09.2019 (9.00 AM) and ends on 23.09.2019 (5.00 PM). During this period shareholders’ of the Company, holding shares either in Physical form or in Dematerialized form, as of 17.09.2019 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
4. In case you have any queries or issues or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help Section or write an email to helpdesk.evoting@cdslindia.com or admin@samkrp.com
5. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the company as on the cut-off date i.e.17.09.2019.
6. Mr. V B S S Prasad, Practicing Company Secretary (F.C.S No.4139), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the chairman / Managing Director of the Company.

In case of members receiving the physical copy:

- (A) In case of members receiving the physical copy, Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Saturday the 21st September, 2019, at 9.00 AM and ends on Monday the 23rd September, 2019 at 5.00 PM. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 17.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

BY ORDER OF THE BOARD
For SAMKRG PISTONS AND RINGS LIMITED

Sd/-
S.D.M. RAO
CHAIRMAN & MANAGING DIRECTOR

Place : Hyderabad
Date : 29th May, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Shri S D M Rao was appointed as whole Time Director for the period of 5 years w.e.f. 01.09.2014 to 31.08.2019. The period of appointment will be expired on 31.08.2019 and needs reappointment for a further period of 3 years w.e.f 01.09.2019 to 31.08.2022.

In view of the growth in the activities of the company it is felt that remuneration of the Managing Director will be suitably commensurate with his responsibilities.

The Directors recommend the resolutions for approval. None of the Directors are interested in the resolution except, Shri S Karunakar Whole Time Director, Shri S Madhava Rao, Director, Shri S Kishore, Whole Time Director who are related to Shri S D M Rao.

As the Appointee has age above 70 years, Your Directors recommend the resolution for approval as Special Resolution Brief details of experience has been given under Annexure - 5.

ITEM NO. 5

Shri M N Thakkar is a Non-Executive Independent Director. He was appointed on 28th Annual General Meeting for the term of 5 years as Independent Director and he holds office till the ensuing 33rd Annual General Meeting.

Shri M N Thakkar has experience of more than 30 years in the field of finance, tax, management and accounts.

Now as per requirement of section 149, 150 and 152 of Companies Act, 2013. He is proposed to be re-appointed as Independent Director in the ensuing Annual General Meeting. None of the Directors are interested in this resolution.

Your Directors recommend the resolution for approval as Special Resolution.

| | |
|--|--|
| Name | MAHENDRA NARANJI THAKKAR |
| DIN | 00268818 |
| Age | 78 years(Date of Birth 17.10.1941) |
| Nationality | Indian |
| Qualification | B.Com, FCA (Chartered Accountant) |
| Experience /Expertise | Shri M N Thakkar is practicing Chartered Accountant since 1967 and having varied experience in handling accounting, auditing and management consultancy. |
| Date of Appointment as Director of the Company | 06th November, 1988 |
| Other Directorship | Indofil Industries Limited |
| Relationships between the Directors inter-se, if any | Nil |

ITEM NO. 6

Shri K Chaitanya Abhishek is a Non-Executive Independent Director. He was appointed on 29th October, 2018 as Additional Director and he shall hold office till the ensuing Annual General Meeting.

Shri K Chaitanya Abhishek has experience in the field of finance and accounts and worked as Account Manager (Corporate Accounts) in Lenovo India.

Now as per requirement of section 149, 150 and 152 of Companies Act, 2013. He is proposed to be regularize as Independent Director in the ensuing Annual General Meeting. None of the Directors are interested in this resolution.

Your Directors recommend the resolution for approval as Ordinary Resolution.

| | |
|--|--|
| Name | CHAITANYA ABHISHEKH KOPPUSETTI |
| DIN | 08221971 |
| Age | 39 years (Date of Birth 28.09.1979) |
| Nationality | Indian |
| Qualification | B.Tech (Mechanical) |
| Experience /Expertise | 12 years of experience in marketing and supply chain management and worked in various multi-national and domestic companies. |
| Date of Appointment as Director of the Company | 29th October, 2018 |
| Other Directorship | Nil |
| Relationships between the Directors inter-se, if any | Nil |

ITEM NO. 7

Shri Pinninti Raghu Prakash Swamy is a Non-Executive Independent Director. He was appointed on 20th April, 2019 as Additional Director and he shall hold office till the ensuing Annual General Meeting.

Shri Pinninti Raghu Prakash Swamy has experience in the field of finance, marketing and management.

Now as per requirement of section 149, 150 and 152 of Companies Act, 2013. He is proposed to be regularize as Independent Director in the ensuing Annual General Meeting. None of the Directors are interested in this resolution.

Your Directors recommend the resolution for approval as Ordinary Resolution.

| | |
|--|--|
| Name | RAGHU PRAKASH SWAMY PINNINTI |
| DIN | 08472327 |
| Age | 62 years (Date of Birth 17.09.1957) |
| Nationality | Indian |
| Qualification | M.Sc (Agricultural Economics) |
| Experience /Expertise | 34 years of working experience as DRO in Bank of India and retired from the post of Chief Manager. |
| Date of Appointment as Director of the Company | 20th April, 2019 |
| Other Directorship | Nil |
| Relationships between the Directors inter-se, if any | Nil |

Financial year 2018-'19 was a good year for our company and achieved all time high production and dispatches and posted the best financial performance with strong fundamentals.

Director's Report

DEAR SHAREHOLDERS

Your Directors are pleased and privileged to present 33rd Annual Report and the Audited Accounts of the Company for the year ended March 31, 2019.

| Financial Results | (Rs. In Lakhs) | |
|--|----------------|----------|
| | 2018-19 | 2017-18 |
| Gross total income from operations | 35616.53 | 32397.15 |
| Other Income | 198.73 | 219.12 |
| Profit before Interest, Depreciation and Tax (PBDIT) | 4567.42 | 4373.71 |
| Interest | 143.75 | 140.23 |
| Profit before depreciation and Tax (PBDT) | 4423.67 | 4233.48 |
| * Depreciation | 1205.97 | 1305.18 |
| Profit before Exceptional Item | 3217.70 | 2965.80 |
| C S R | 42.50 | 37.50 |
| Extraordinary Item | 0 | 0 |
| Profit after CSR | 3175.20 | 2928.30 |
| Provision for Taxation | | |
| i) Current Year | 1026.61 | 866.25 |
| ii) Deferred Taxation | 45.00 | 46.59 |
| Net Profit before Extraordinary Item | 2103.59 | 2015.46 |
| Extraordinary Item | | 0 |
| Profit after Extraordinary Item | 2103.59 | 2015.46 |

Note: Figures have been re-grouped wherever necessary to confirm to current period classification.

DIVIDEND

Your Directors recommended dividend of Rs.5/- per equity share (50%) of face value of Rs.10/- each for the year ended March 31, 2019.

CREDIT RATING

The company's financial discipline and prudence is reflected by becoming a debt free company for the last few years and credit ratings ascribed by CRISIL

Long term rating : CRISILA-/Stable (Reaffirmed)

Short term Rating : CRISILA2+ (Reaffirmed)

Review of business operations:

In the year 2018-19 the Global Automotive Industry was passing through one of the most challenging times, which turned out to be a double edged affect for the Domestic Industry. The Domestic Industry performed very well and achieved the

targets for the first two quarters and in the third quarter started slowing down and the last quarter drop down to the rock bottom because of various factors and also general elections. However, our Company achieved all time good financial results.

The Company posted remarkable performance growing 9.94% increase in the gross turnover of Rs.35616.53 lakhs during year 2018-19 as against Rs.32397.76 Lakhs in the previous year 2017-18 and Net turnover increase of 18.05% of Rs.28956.06 Lakhs during the year 2018-19 as compared to Rs.24527.71 Lakhs for the previous year 2017-18.

The company R&D expenditure is Rs. 61.32 Lakhs i.e. 0.25% of Net sales during the year to catch up with up-gradation of technology and to meet OEM's ever demanding quality and new developments requirement to improve life cycle of their product meeting BS-VI norms of environmental standards for Auto components.

The operations of the Company on the whole have been satisfactory.

In pursuance of National Electric Mobility Machine Plan (NEMMP) and other initiatives and Government to achieve long term growth in industry and reduced emissions and oil dependents. To meet these stringent environmental regulations on pollution and carbon emissions have necessitated heavy investments in both automobile and also auto parts such as our industries. To meet with the challenges of these BS-VI norms and having achieved BS-IV norms in the years 2015-16, 2016-17 and 2017-18 during the second and third quarter of 2018 have been many challenges and settling down for an improved performance post general elections.

As the rural economy is growing, the demand for two wheelers and three wheelers complying BS-IV norms may give encouraging results and hopeful of maintaining growth this year also. Company is now focusing customer preferences and distributions channels and always exploring new avenues in the export market which will give encouraging results.

Earnings Before Depreciation, Interest and Tax (PBDIT) at Rs.4524.92 lakhs as against previous year of Rs.4373.71 Lakhs. The Profit Before Tax was at Rs. 3175.20 lakhs as compared to Rs. 2928.30 lakhs in 2017-18 an increase of 8.43%

FUTURE PROSPECTUS:

In line with motto of 'Reshaping our business for tomorrow' Samkrg is serving the growing needs of our Business Accounts and Individual Customers of export and domestic and also OEM Customer segments by offering cost effective prices and different Products and Services. Our end to end operation across the value chain, from gross level customers enable us to deliver superior quality products. Over the years, we have built strong relationship with the domestic and overseas customers and other channel partners that has allowed us to serve all Customer segments through our nationwide professional

distribution network. We are now leveraging this extensive network established for our products to extend our customer-centric services.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- In the participation of Annual Accounts the applicable Indian accounting standards have been followed and that there have been no material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and the profit loss account to the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the Annual accounts on a going concern basis and
- The Directors, in the case of listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee of the Board meets once in a quarter with Internal Auditors to review internal control and financial reporting issues.

RISK MANAGEMENT COMMITTEE

Risk management committee consists of the following Directors:

1. Mr. S.D.M. Rao - Managing Director
2. Mr. Pinninti Raghu Prakash Swamy - Director
3. Mr. K Chaitanya Abhishek - Director

RISK MANAGEMENT POLICY

The company has taken all the steps to mitigate the following risks:

Raw material prices: Ours is a continuous high volume manufacturing industry. Our profitability will depend on change in the price in raw materials and input costs.

Foreign currency Risks: Exchange rate fluctuations may sometimes effect. Adequate steps were taken.

Competition and Price Pressure: The Company is facing stiff competition in the segments of OEMs and aftermarket as well as price pressure from the OEMs which playing major roll on the profitability of the company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility committee consists of the following Directors:

1. Mr. S Kishore Chairman
2. Mr. Pinninti Raghu Prakash Swamy Member
3. Mr. K Chaitanya Abhishek Member

Corporate social responsibility policy was adopted by the Board of Directors on the recommendation of corporate social responsibility committee.

Report on corporate social responsibility as per Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is prepared and the same is enclosed as annexure - 3.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6)

The Independent Directors have submitted the declaration of independence as required pursuant Sec. 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Sec. 149(6).

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of the following Directors namely Mr. K Chaitanya Abhishek, Ms. Nama Rishita, Mr. S. MadhavaRao.

Brief description of terms of reference:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- Carry on the evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

- Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

Nomination and Remuneration policy

The objective of the Policy:

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial positions and trends and practices on remuneration prevailing in peer companies.
3. To carry our evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

The company has neither issued any Loans, Guarantees nor made any investments during the Financial year 2018-19.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO Sec. 188(1)

The particulars of contracts or arrangements with related parties referred to Section 188(1) are prepared in form No.AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. The details of the transactions with related parties are given in the financial statements.

TRANSFER OF AMOUNTS TO RESERVES

The Company proposes to transfer an amount of Rs. 631.08 lakhs to the general reserve for the financial year ended 31st March, 2019.

LISTING OF EQUITY SHARES

The Company's equity shares are listed on BSE Ltd., Feroz Jeejeebai Towers, Dalal Street, Mumbai 400001.

MEETINGS OF THE BOARD OF DIRECTORS

The details of the Board of Directors Meeting held were given in the Report on Corporate Governance under Item No. 2(b).

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure-1 to this report.

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Sec. 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

Information with respect to the conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Sec. 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is prepared and annexed as Annexure -2 to this report.

BOARD OF DIRECTORS

Shri S Karunakar, Whole Time Director who is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Shri V Chakrapani has ceased to be Director w.e.f. 09th September, 2018.

Shri K Chaitanya Abhishek has been appointed w.e.f. 29th October, 2018.

Shri Pinninti Raghu Prakash Swamy has been appointed w.e.f. 20th April, 2019.

Key Managerial Persons

Ms. Ratnakumari Nama has resigned from the post of Chief Financial Officer w.e.f. 15th May, 2019.

Shri Dinker Mishra having ICSI Membership No. ACS 48511 has been appointed as Company Secretary & Compliance Officer w.e.f. 20th April, 2019.

Shri Kota Ramesh has been appointed as Chief Financial Officer w.e.f. 16th May, 2019.

DEPOSITS

The Company has not accepted any Deposits in terms of Section 73 of the Companies Act, 2013 and the rules made there under and hence compliance with the same as not applicable.

AUDITORS

Statutory Auditors

At the Annual General Meeting held on 25th September, 2017 M/s. Sridhara Chary V & Co., Chartered Accountants,

were appointed as statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022.

Auditors Report

There are no qualifications, reservations or adverse remarks made by M/s Sridhara Chary V & Co., chartered Accountants, Hyderabad Chartered Accountants (ICAI Reg. No.011478S) Statutory Auditors in their report for the Financial Year ended March 31st 2019..

Audit Committee

Composition of Audit Committee included in Corporate Governance report.

Corporate Governance

A separate report on Corporate Governance is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance.

VIGIL MECHANISM

The Board of Directors has adopted whistle Blower policy. The Whistle Blower policy aims for conducting the affairs in the fair and transparent manner by adopting highest standards of professionalism, honest, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases.

SECRETARIAL AUDITOR REPORT

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Mr. V B S S Prasad, Practicing Company Secretary (C.P.No: 4605) as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2019.

Secretarial Audit Report issued by Mr. V B S S Prasad, Practicing Company Secretary in form MR-3 is enclosed as Annexure - 4 to this Annual Report.

There are no qualifications in Secretarial Audit Report.

PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

The Statement of particulars of Appointment and Remuneration of Managerial Personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as enclosed as per Annexure - 5 to this Annual Report.

INSURANCE

All properties and insurable interests of the Company including building, plant & machinery and stocks have been fully insured.

CHANGE IN NATURE OF BUSINESS

There is no change in the Company's nature of business during the financial year ending March 31st, 2019.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has well defined internal control systems and procedures for ensuring optimum utilization of various resources, Investment decisions involving Capital Expenditure or taken up only after due appraisal and review. Internal audit function covers and carried out periodically and reviewed by the Audit Committee to ensure that all policies and procedures are adhered to, and all statutory obligations complied with.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

No such orders have been received.

MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2019 to the date of signing of the Director's Report.

POLICY ON SEXUAL HARASSMENT

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial year ended 31st march, 2019, the company has not received any Complaints pertaining to Sexual Harassment.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the cooperation and support of Bankers, Customers, Business Associates, Shareholders, dealers, and suppliers who are enabling the Company to achieve its goals. The Directors also place on record their appreciation made by the employees at all levels.

On behalf of the Board of Directors

Sd/-

S. D. M. RAO

CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad
 Date: 29th May, 2019

ANNEXURE - I
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

| | | |
|-----|--|--|
| i | CIN | L27310TG1985PLC005423 |
| ii | Registration Date | 30-03-1985 |
| iii | Name of the Company | SAMKRG PISTONS AND RINGS LIMITED |
| iv | Category/Sub-category of the Company | Manufacturing |
| v | Address of the Registered office & contact details | 1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500016 |
| vi | Whether listed company | Yes |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. XI Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034, Ph: 040-23545915 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| Sl. No. | Name & Description of main products/services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1 | AUTOMOBILE PISTON ASSEMBLES | 84099114 | 100% |
| 4 | | | |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

| Sl. No. | Name & Address of the Company | CIN/ GLN | Holding/Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|-------------------------------|----------|-------------------------------|------------------|--------------------|
| NIL | | | | | |

| IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity) | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year | |
|--|---|---|----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|------|
| | | No. of Shares held at the beginning of the year | | % of Total Shares | | No. of Shares held at the end of the year | | % of Total Shares | | | |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. | Promoters | | | | | | | | | | |
| (1) | Indian | | | | | | | | | | |
| a) | Individual/HUF | 6567839 | | 6567839 | 66.88 | 6567839 | 66.88 | 6567839 | 66.88 | 0.00 | 0.00 |
| b) | Central Govt. or State Govt. | | | | | | | | | | |
| c) | Bodies Corporates | | | | | | | | | | |
| d) | Bank/FI | | | | | | | | | | |
| e) | Any other | | | | | | | | | | |
| | SUB TOTAL:(A) (1) | 6567839 | 0 | 6567839 | 66.88 | 6567839 | 66.88 | 6567839 | 66.88 | 0.00 | 0.00 |
| (2) | Foreign | | | | | | | | | | |
| a) | NRI- Individuals | | | | | | | | | | |
| b) | Other Individuals | | | | | | | | | | |
| c) | Bodies Corp. | | | | | | | | | | |
| d) | Banks/FI | | | | | | | | | | |
| e) | Any other.... | | | | | | | | | | |
| | SUB TOTAL (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 6567839 | 0 | 6567839 | 66.88 | 6567839 | 66.88 | 6567839 | 66.88 | 0.00 | 0.00 |
| B. | Public Shareholding | | | | | | | | | | |
| (1) | Institutions | | | | | | | | | | |
| a) | Mutual Funds | | 1200 | 1200 | 0.01 | | | 1200 | 0.01 | 0.00 | 0.00 |
| b) | Banks/FI | | 2100 | 2100 | 0.02 | | | 2100 | 0.02 | 0.00 | 0.00 |
| c) | Central Govt. | | | | | | | | | | |
| d) | State Govt. | | | | | | | | | | |
| e) | Venture Capital Fund | | | | | | | | | | |
| f) | Insurance Companies | | | | | | | | | | |
| g) | FIS | | | | | | | | | | |
| h) | Foreign Venture Capital Funds | | | | | | | | | | |
| i) | Others (specify) | | | | | | | | | | |
| | SUB TOTAL (B)(1): | 0 | 3300 | 3300 | 0.03 | 0 | 0.03 | 3300 | 0.03 | 0.00 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--|---|----------|---------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporate | | | | | | | | | |
| i) Indian | 158357 | 2350 | 160707 | 1.64 | 114358 | 2350 | 116708 | 1.19 | -43999 |
| ii) Overseas | | | | | | | | | -0.45 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto 2 lakhs | 2383712 | 281222 | 2664934 | 27.14 | 2378075 | 256794 | 2634869 | 26.83 | -30065 |
| ii) Individual shareholders holding nominal share capital in excess of 2 lakhs | 282028 | 64343 | 346371 | 3.53 | 349805 | 55994 | 405799 | 4.13 | 59428 |
| c) Others (specify) | | | | | | | | | |
| NRI'S | 70940 | 2450 | 73390 | 0.75 | 81725 | 2450 | 84175 | 0.86 | 10785 |
| Bodies (Clearing Memb) | 3959 | 0 | 3959 | 0.04 | 7810 | 0 | 7810 | 0.08 | 3851 |
| SUB TOTAL (B)(2): | 2898996 | 350365 | 3249361 | 33.09 | 2931773 | 317588 | 3249361 | 33.09 | 0 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 28998996 | 353665 | 3252661 | 33.12 | 2931773 | 320888 | 3252661 | 33.12 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 9466835 | 353665 | 9820500 | 100 | 9499612 | 320888 | 98205000 | 100 | 0 |

Share Holding of Promoters

| Sl. No. | Shareholders name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in share holding during the year | |
|---------|--------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|------|
| | | No of shares | % of total shares of the Company | % of shares pledged encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | | |
| 1 | Saripally Saraswathi | 2630211 | 26.78 | Nil | 2630211 | 26.78 | Nil | 0 | 0.00 |
| 2 | Saripally Dali Mrutyanjaya Rao | 1673320 | 17.04 | Nil | 1673320 | 17.04 | Nil | 0 | 0.00 |
| 3 | Saripally Kishore | 647155 | 6.59 | Nil | 647155 | 6.59 | Nil | 0 | 0.00 |
| 4 | Saripally Karunakar | 586971 | 5.98 | Nil | 586971 | 5.98 | Nil | 0 | 0.00 |
| 5 | Nama Ratnakumari | 417668 | 4.25 | Nil | 417668 | 4.25 | Nil | 0 | 0.00 |
| 6 | S Sharmila | 182350 | 1.86 | Nil | 182350 | 1.86 | Nil | 0 | 0.00 |
| 7 | S Padma | 218800 | 2.23 | Nil | 218800 | 2.23 | Nil | 0 | 0.00 |
| 8 | Tanneru Arunakumari | 111364 | 1.13 | Nil | 111364 | 1.13 | Nil | 0 | 0.00 |
| 9 | Rishita Nama | 50000 | 0.51 | Nil | 50000 | 0.51 | Nil | 0 | 0.00 |
| 10 | Sri Anusha Nama | 50000 | 0.51 | Nil | 50000 | 0.51 | Nil | 0 | 0.00 |
| | TOTAL | 6567839 | 66.88 | | 6567839 | 66.88 | | | 0.00 |

(iii) Change in promoters' shareholding (specify if there is no change)

| Sl. No. | | Share holding at the beginning of the year | | Cumulative share holding during the year | |
|---------|---|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | At the beginning of the year | No changes in promoters shareholding during the year | | | |
| | Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc) | | | | |
| | At the end of the year | No changes in promoters shareholding during the year | | | |

(iv) Shareholding pattern of top ten shareholders (other than directors, promoters & holders of gdrs&adrs)

| Sl. No. | For each of the top 10 share holders | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---------|--------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Narippen Obhrai | 65069 | 0.66 | 65069 | 0.66 |
| 2 | Sunil A Hinduja | 60000 | 0.61 | 60000 | 0.61 |
| 3 | Vibha S Hinduja | 55000 | 0.56 | 55000 | 0.56 |
| 4 | Nidhi Jawahar | 7858 | 0.08 | 47260 | 0.48 |
| 5 | Sunita Santosh Goenka | 46895 | 0.48 | 46895 | 0.48 |
| 6 | S Monish | 38800 | 0.40 | 30901 | 0.31 |
| 7 | Pradeep R Datar | 31279 | 0.32 | 29294 | 0.30 |
| 8 | S Lakshmi Charishma | 25543 | 0.26 | 25093 | 0.26 |
| 9 | Neeta Paras Vasa | 23785 | 0.24 | 23785 | 0.24 |
| 10 | Rajeev Jawahar | 9102 | 0.09 | 22502 | 0.23 |

(v) Shareholding of Directors & KMP

| Sl. No. | For Each of the Directors &KMP | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---------|--------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | Mr. S D M RAO | | | | |
| | At the beginning of the year | 1673320 | 17.04 | 1673320 | 17.04 |
| | At the end of the year | 1673320 | 17.04 | 1673320 | 17.04 |
| 2 | Mr. S Karunakar | | | | |
| | At the beginning of the year | 586971 | 5.98 | 586971 | 5.98 |
| | At the end of the year | 586971 | 5.98 | 586971 | 5.98 |
| 3 | Mr. S Kishore | | | | |
| | At the beginning of the year | 647155 | 6.59 | 647155 | 6.59 |
| | At the end of the year | 647155 | 6.59 | 647155 | 6.59 |
| 4 | Mr. S Madhavarao | | | | |
| | At the beginning of the year | 500 | 0.01 | 500 | 0.01 |
| | At the end of the year | 500 | 0.01 | 500 | 0.01 |
| 5 | Mr. V Chakrapani | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 6 | Mr. M N Thakkar | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 7 | Ms. N Rishita | | | | |
| | At the beginning of the year | 50000 | 0.51 | 50000 | 0.51 |
| | At the end of the year | 50000 | 0.51 | 50000 | 0.51 |
| 8 | Mr. K Chaitanya Abhishek | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Sl. No. | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---------|--|----------------------------------|-----------------|----------|--------------------|
| | Indebtness at the beginning of the financial year | | | | |
| i) | Principal Amount | | | | |
| i') | Interest due but not paid | | | | |
| iii) | Interest accrued but not due | | | | |
| | Total (i+ii+iii) | | | | |
| | Change in Indebtedness during the financial year | | | | |
| | Additions | | | | |
| | Reduction | | | | |
| | Net Change | | | | |
| | Indebtedness at the end of the financial year | | | | |
| i) | Principal Amount | | | | |
| i') | Interest due but not paid | | | | |
| iii) | Interest accrued but not due | | | | |
| | Total (i+ii+iii) | | | | |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole Time Director and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total Amount |
|---------|--|----------------------------|-------------------|-----------------|-----------------|
| | | S.D.M RAO, CMD | S. KARUNAKAR, WTD | S KISHORE, WTD | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 1500000 | 4200000 | 4200000 | 990000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | |
| 2 | Stock option | | | | |
| | Sweat Equity | | | | |
| | Commission | 4800000 | 9600000 | 9600000 | 2400000 |
| | as % of profit | | | | |
| | others (specify) | | | | |
| | Others, please specify | | | | |
| | Total (A) | 6300000 | 13800000 | 13800000 | 33900000 |
| | Ceiling as per the Act | | | | |

B. Remuneration to other directors:

| Sl. No | Particulars of Remuneration | Name of the Directors | | | | | Total Amount |
|--------|--|-----------------------|------------------|------------------|--------------------------|------------------|---------------|
| | | Mr. M N Thakkar | Mr. S MadhavaRao | Mr. V Chakrapani | Mr. K Chaitanya Abhishek | Ms. Nama Rishita | |
| 1 | Independent Directors | | | | | | |
| | (a) Fee for attending board committee meetings | 7500 | 37500 | 17500 | 27500 | 37500 | 127500 |
| | (b) Commission | | | | | | |
| | (c) Others, please specify | | | | | | |
| | Total (1) | 7500 | 37500 | 17500 | 27500 | 37500 | 127500 |
| 2 | Other Non Executive Directors | | | | | | |
| | (a) Fee for attending board committee meetings | | | | | | |
| | (b) Commission | - | - | - | - | - | - |
| | (c) Others, please specify. | | | | | | |
| | Total (2) | | | | | | |
| | Total (B)=(1+2) | 7500 | 37500 | 17500 | 27500 | 37500 | 127500 |
| | Total Managerial Remuneration | | | | | | |
| | Overall Ceiling as per the Act. | | | | | | |

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------|-----|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | | | | |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | as % of profit | | | | |
| | others, specify | | | | |
| 5 | Others, please specify | | | | |
| | Total | | | | |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment Compounding Fees Imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|------------------------------|------------------------------|-------------------|---|----------------------------|-----------------------------------|
| A. Company | | | None | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | None | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers in Default | | | None | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

ANNEXURE - 2

The conservation of energy, Technology absorption, Foreign Exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

The Company has always been taking various energy conserving / saving measures at all points to manufacturing continuously.

Energy conservation measures taken:

- a. All foundry furnaces Retrofitted to reduce power losses.
- b. Improved Power factors through installation of additional capacitors in all plants.
- c. Optimum use of Continuous running of sealed quench furnace technique.
- d. Implementation of energy efficient Crucibles & introduced insulation with high “K” factor.
- e. Reduced lighting load.
- f. Introduced variable frequency drives
- g. Installation of Nitrogen Plant in all the 3 Plants to conserve Nitrogen Gas
- h. Installation of LED Lighting system

B. TECHNOLOGY ABSORPTION:

(A) Research and Development (R&D)

Advantages derived as a result of R&D

Piston Rings:

To comply with BS VI norms we developed PVD coated piston rings for 4S 2Wheelers and also for Diesel, Petrol and CNG fuel engines for 2 Wheelers, Cars and Truck applications.

Developed and introduced 2nd ring for 4S vehicles with ceramic coating and MFI coating. Developed and productionized PVD coated 3 piece oil rings for 2Wh to meet with BS VI norms.

Developed and introduced oil ring for steel i-section slotted ring with Nitrated coating for 4 Wheelers and Commercial Vehicles.

Piston:

To comply with BS VI norms we developed asymmetric profile on piston ring lands and skirt areas to reduce oil consumption and white smoke.

Developed and productionized hard anodized coating for piston ring grooves and crown to meet with high engine temperatures and reduce wear.

Developed and productionized special aluminum alloy to meet with high temperatures of engine. Developed thin wall thickness casting to improve weight to strength ratio.

Future Plan of Action

Planning to develop and productionize taper and oval bore piston for Diesel Engines.

To improve quality and meet with closed tolerances. Developed sophisticated special performance CNC machines 6 Station and 4 Station.

Planning to introduce much more sophisticated surface coating technologies.

Introduced World Class practices for continuous skill development of all employees and cost reduction.

EXPENDITURE ON R &D:

(₹ In lakhs)

| | 2018-19 | 2017-18 |
|---|---------|---------|
| a) Capital | 36.79 | 73.58 |
| b) Recurring | 24.53 | 49.06 |
| c) Total | 61.32 | 122.64 |
| d) Total R & D Expenditure as A percentage of N.Sales | 0.25% | 0.50% |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. During the year, the company's senior executives are in continuous interaction of prospective Customers for various countries to explore new export markets for its products.

b. Total foreign Exchange used and earned:

Total foreign Exchange used Rs.1698.90 lakhs

Total foreign Exchange earned Rs.5257.24 lakhs

for and on behalf of the Board

Place : Hyderabad
Date :29th May 2019

Sd/-
S. D. M. RAO
Chairman & Managing Director

ANNEXURE - 3

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy)

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:
 - i. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and Water; and
 - iii. Rural development projects. Web link:
www.samkrgpistonsandrings.com
2. **Composition of CSR Committee:**

| S.No. | Name | Designation |
|-------|----------------------------------|-------------|
| 1 | Mr. S Kishore | Chairman |
| 2 | Mr. K Chaitanya Abhishek | Member |
| 3 | Mr. Pinninti Raghu Prakash Swamy | Member |

3. Average Net Profit for Last Three Financial Years:

| Net Profit | For the Financial Year ended 31 st March (RsIn Lakhs) | | |
|--|--|---------|---------|
| | 2017-18 | 2016-17 | 2015-16 |
| | 2015.46 | 1945.66 | 1570.15 |
| Average Net Profit for the preceding Three Financial Years | Rs. 1843.76 Lakhs | | |

Prescribed CSR Expenditure (2% of Average Net Profit) Details : 36.88 Lakhs
of CSR spend for the financial year 2018-19

- a. Total Amount Spent for the financial year : 42.50 Lakhs
- b. Amount unspent, if any :

Details of CSR spent for the financial year 2017-18 : Nil

- a. Total Amount Spent for the financial year : 37.50 Lakhs
- b. Amount unspent, if any : Nil

c. Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------------|---|--|---|---|---|---|--|
| Sl. No. | CSR project or Activity Identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was Undertaken | Amount Outlay (budget) project or programs Wise | Amount spent on the projects or programs Sub heads: 1) Direct expenditure on Projects or programs 2) Overheads. | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency. |
| 1 | Developed Skill Development Center, Educational Support and infrastructure support, Construction of Toilets and providing clean drinking project. | Rural Development Project | Andhra Pradesh, Vijayanagaram Dist. | 42.50 Lakhs | Nil | 42.50 Lakhs | Spent Directly |
| TOTAL | | | | 42.50 Lakhs | | 42.50 Lakhs | |

7. The Company has to spend two percent of average net profits of the Last three Financial Years.
8. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives.

ANNEXURE - 4
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019
FORM NO. MR. 3

Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To
The Members,
M/s. SAMKRG PISTONS AND RINGS LIMITED
1-201, DIVYASHAKTI COMPLEX7-1-58,
AMEERPET, HYDERABAD - 500016, Telangana.

1. We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s. SAMKRG PISTONS AND RINGS LIMITED (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. The company is engaged in the business of Manufacturing and supply of Automobile Pistons and Rings.
3. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
4. WE have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. SAMKRG PISTONS AND RINGS LIMITED (hereinafter called as “the Company”) for the financial year from 1st April 2018 and ended with 31st March, 2019 (“Audit Period”) according to the provisions of :
 - i) The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made there under;
 - ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
 - iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
As per the Management representation letter given by the concerned authority of the Company it is confirmed that the Directors, Promoters, Employees, Auditors and the Company Secretary of the Company were not directly or indirectly involved in the trading of Shares of the company during the period under which the trading window was closed.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

- f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998;
- i) **The following other laws as specifically applicable in the view of the Management.**
- (i) Income Tax act, 1961
 - (ii) Central Sales Tax Act, 1956
 - (iii) Telangana & Andhra Pradesh Value Added Tax
 - (iv) The payment of bonus Act, 1965
 - (v) Telangana & Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987
 - (vi) Customs Act, 1962
 - (vii) Finance Act, 1994 (Service Tax)
 - (viii) Factories Act, 1948
 - (ix) Industrial Disputes Act, 1947
 - (x) Minimum Wages Act, 1948
 - (xi) The Payment of Gratuity Act, 1972
 - (xii) The Payment of Wages Act, 1936
 - (xiii) The Maternity Benefit Act, 1961
 - (xiv) Telangana Shops & Establishment Act, 2014 & A.P Shops & Establishment Act, 1988
 - (xv) The National and Festival Holidays Act, 1963
 - (xvi) The Employees Provident fund and Miscellaneous provisions act, 1952
 - (xvii) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1956
5. We have also examined compliance of:
- a. The applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
 - b. the applicable Secretarial Standards.
6. We further report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. Mentioned above. However, please note for the Audit period:
- (i) SEBI (ICDR) Regulations, 2009 are not applicable, as there being no further issues of any securities.
 - (ii) SEBI (ESOS & ESOP) Guidelines, 1999 are not applicable, as there being no schemes of the Company under the said Guidelines.
 - (iii) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable as there being no debt securities, which are listed on any of the recognized stock exchange.
 - (iv) SEBI (Delisting of Equity Shares) Regulations, 2009 are not applicable, as there being no instances of delisting of equity Shares.
 - (v) SEBI (Buyback of Securities) Regulations, 1998 are not applicable, as there being no instances of buy-back of shares
 - (vi) The compliance of other specific applicable laws as listed in 4 (V) (i) above, were relied on the basis of representations and compliance certificates issued by the Managing director compliance officers and other officials of respective / concerned Departments of the company.

7. We further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.
 - Adequate Notice is given to all the Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
 - There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
 - Majority decision is carried through and there were not instances of dissenting members in the Board of Directors.
 - It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
 - Required forms were filed with MCA, additional fee paid wherever required.
- Company appointed Company Secretary with effect from 20th April, 2019 as required under Section 203 of the Companies Act, 2013 and Regulation 6 of SEBI (LODR) Regulations 2015.
8. We further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

Place : Hyderabad

Date : 10.05.2019

Sd/-
V B S S PRASAD
Company Secretary
M.No.: 4139
CP No.: 4605

Annexure to the Secretarial Audit Report

To
The Members,
M/s. SAMKRG PISTONS AND RINGS LIMITED
Hyderabad

Our Secretarial Audit Report of even date is to be read along with this letter:

- It is the responsibility of the management of the Company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
- Our responsibility is to express an opinion on these Secretarial records, Standards and procedures followed by the Company with respect to secretarial compliance.
- We believe that audit evidence and information obtained from the company's Management is adequate and appropriate for us to provide a basis for our opinion.
- Wherever required, we have obtained the management's representations about the compliance of laws, rules and regulations and happening of events etc.
- The secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : HYDERABAD

Date : 10.05.2019

Sd/-
V B S S PRASAD
Company Secretary
M.No.: 4139
CP No.: 4605

ANNEXURE - 5

Statement showing particulars of Employees pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 for the year ended 31st March, 2019.

| Name of the Employee | Age | Designation | Qualification & Experience | Date of commencement of employment | Remuneration & Commission | Particulars of last employment |
|----------------------|---------|------------------------------|---|------------------------------------|---------------------------|--------------------------------|
| Shri S.D.M. Rao | 85Years | Chairman & Managing Director | B.Sc, B.E Industrial Experience over 50 years | 01.07.1987 | 63,00,000/- | A.P.S Limited |
| Shri S. Karunakar | 56Years | Whole Time Director | B.E (Mechanical) | 30.09.1998 | 1,38,00,000/- | N.A |
| Shri S. Kishore | 54Years | Whole Time Director | B.E (Mechanical) | 30.09.1998 | 1,38,00,000/- | N.A |

Management Discussion and Analysis Report

The automobile industry growth is dependent on overall growth of economy. Indian Industry is now growing as potential Global automotive supplier with very good export potential as the developing Countries comes out of recession.

With the introduction of GST your company engaged in auto part industry has regained its status and experience healthy growth over last few years. And your company is also grown along with the overall growth.

Later the government extended great support for hybrid electric vehicle from September, 2018 to march, 2019 and at the same time government announced to ban IC engine 3 wheeler vehicles by the year 2023 and below 150CC scooter and motor cycles by 2025.

OPPORTUNITIES AND THREATS

With the introduction of Electric Vehicles opportunities have increased and with the ban of IC engines the threat is also equally effected your company. To meet with this situation our company has to become very very cost effective by introducing sophisticated technology at high expense.

The Company has very good opportunities because of long term business relationship with valued customers both in Domestic OEM's and Replacement Market & Exports and also in time supplies, superior quality products and our technical expertise both from Japanese & German Consultants.

The Company has got a diverse product portfolio across all market segments i.e OEM's , After Market and Export Market and all vehicle segments and a very strong distribution network at aftermarket sales.

Outlook:

The company continues its drive for sustainable growth in this growing Domestic automotive industry. In view of strong support of OEM's and because of establishing good distribution network, company is poised for good growth.

Several cost effective and time- bound steps have been taken with technical support from Japan to meet the changing expectations of customers, challenges of price competition and also zero defect quality and delivery. Your company has now fully developed and revalidated the products complying BS-VI norms of all major OEM suppliers and received orders for supply from October/November 2019.

This established and poised for moderate demand growth with all OEM's during the year 2019-20 and there on

The company is targeting to achieve moderate growth rate in 2019-20 based on new business acquired from key OEM's and increased focus on After Market both Domestic and Export Markets.

INTERNAL CONTROL SYSTEM:

Your company maintains and adequate and effective internal control system to commensurate with its size and complexity. An independent internal audit function is an important element of your company's internal control system. The internal control system

is supplemented through an extensive internal audit program and periodic review by management and audit committee.

INDUSTRIAL RELATIONS:

Industrial relations during the year in all the plants are very cordial and co-operative. The Company encourages good talent and introduced skill development program in the rapidly challenging business and competitive environment. Adequate safety measures, training and development of the employees, continue to receive top priority.

FINANCIAL PERFORMANCE:

The Company earned total gross revenue of Rs. 35616.53 lakhs compared with Rs. 32397.15 lakhs in the previous year and the operational expenses Rs.32686.33 lakhs compared with Rs. 29660.56 lakhs incurred last year.

Profit Before Depreciation, interest and tax (PBDIT) at Rs. 4521.92 lakhs. The Profit Before Tax was at Rs. 3175.20 lakhs before Exceptional item of Rs.42.50 Lakhs as compared to Rs. 2928.30 Lakhs in 2017-18 an increase of 8.43%. Company has no long term loans.

HUMAN RESOURCES

The Company maintains cordial industrial relations environment and the Company continues to establish its training facilities at all levels of employees.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results might differ marginally or materially from those either expressed or implied.

10 YEARS RECORD

A chart showing 10 Years performance is appended forming part of this report is attached at Performance Highlights.

EXPORTS

The Company is focusing exports to developed Countries like Europe, U.K, France, Germany, Spain Brazil and Russia. The Company has plans to reach 20% of the Turnover during the next 2 years.

POLLUTION CONTROL SAFETY & ENVIRONMENTAL PROTECTION:

We are complying all the norms prescribed by the statutory authorities' i. e. Telangana State & A. P. Pollution Control Board.

The Company is very much concerned for safety of men and machines through safety awareness training programs.

DISCLOSURE OF PARTICULARS

The information required under section 134(3)(m) of the Companies Act, 2013 is given in Annexure-2.

REPORT ON CORPORATE GOVERNANCE

Report pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate governance is set out below:

1. Company's philosophy on Code of Corporate Governance

Samkrp Pistons and Rings Limited defines Corporate Governance as a process directing the affairs of the Company with integrity, transparency and fairness, so as to optimize its performance and maximize the long term shareholder value in legal and ethical manner, ensuring justice, courtesy and dignity in all transactions of the Company. Your Company is committed to good Corporate Governance in all its activities and process.

2. BOARD OF DIRECTORS:

- a) The present strength of Board of Directors is consists of Eight, three are Executive Directors, One Non Executive and the other Four are Non Executive Independent Directors (NED).

During the year, there was no pecuniary relationship or business transaction by the Company with any non-executive Director, other than the sitting fee for attending the Board /Committee meetings.

The Board of Directors and the management of Samkrp Pistons and Rings Limited are committed to:

- Ensuring discipline, transparency and accountability and shareholder value.
- To provide adequate customer service focusing the activities on customer expectations and meeting them and
- Comply with all statutory/regulatory requirements.

b) DETAILS OF BOARD MEETINGS

During the Financial Year 2018-2019 the Board of Directors met 4 (Four) times on are 04.05.2018, 30.07.2018, 29.10.2018 and 30.01.2019.

The following table gives the composition of Directors and their attendance at the Board meetings held on the dates above mentioned, and the Thirty Second Annual General Meeting held on 19th September, 2018.

| Name of the Director | Category | No of Board meetings attended | Attendance at Last AGM | No. of outside directorships held |
|--------------------------|----------|-------------------------------|------------------------|-----------------------------------|
| Mr. S.D.M Rao | ED | 4 | YES | Nil |
| Mr. M.N. Thakkar | NED | 2 | NO | 2 |
| Mr. S MadhavaRao | NED | 4 | YES | NIL |
| Mr. V Chakrapani | NED | 2 | NO | Nil |
| Mr. S Karunakar | ED | 4 | YES | Nil |
| Mr. S Kishore | ED | 4 | YES | Nil |
| Mr. K Chaitanya Abhishek | NED | 2 | NO | Nil |
| Ms. NamaRishita | NED | 4 | YES | NIL |

ED - Executive Director, NED - Non Executive Director

c) Information placed before the Board:

Apart from the items that are required to be placed before the Board for its approval, under the statutes the following are also tabled for Board's Periodic Review / Information.

- Minutes of meetings of Audit Committee and other Committees of the Board;
- Annual operating plans, capitals & revenue budgets and updates;
- Quarterly financial results of the Company;
- Materially important show cause, demand, prosecution and penalty notices;
- Information on recruitment and remuneration of senior officers, just below the Board level;
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services.
- important labour problems and their proposed solutions;

d) Directors seeking re-appointment.

Shri S Karunakar, Director, retire by rotation at the forthcoming Annual General Meeting and seek re-appointment.

Code of Conduct

We at Samkrg Pistons and Ring Limited have laid down a code of conduct for all Board Members and Senior Management personnel of the Company. The code of conduct is available on the Website of the Company i.ewww.samkrgpistonsandrings.com the code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is attached to the Annual Report.

3. BOARD COMMITTEES:

The Company currently has the following committees of the Board:

- a. Audit Committee
- b. Nomination & remuneration committee
- c. Stakeholders relationship committee

a. Audit Committee:

Terms of Reference of Audit Committee of the Board of Directors are as under:

The Audit Committee during the year ended 31st March, 2019 comprised of Three members out of whom there are Two Non-Executive Independent Director and One Whole time Director Viz., Shri K Chaitanya Abhishek (Chairman and Non-Executive Director of the Committee), Ms. Nama Rishita (Non-Executive Independent Director) and Mr. S. Kishore (Whole time Director) who are financially literates and chairman is an expert in financial management.

Representatives of the Management, Finance Department and Statutory Auditors are invitees to the Meeting of the Audit Committee.

- Review of accounting and financial policies and practices of the company.
- Review of the company's financial reporting process, and its financial statements.
- Review of risk management and policies and practices.
- Review of the internal control and internal audit system.
- To review quarterly, half yearly and annual financial results before submission to the board.

| Name | No. of Meetings Held | No of Board meetings attended | No of Board meetings attended through Conference call |
|---|----------------------|-------------------------------|---|
| Mr. K Chaitanya Abhishek(Chairman) (Appointed on 29.10.2018) | 4 | 2 | Nil |
| Mr. S MadhavaRao | 4 | 4 | Nil |
| Mr. S. Kishore | 4 | 4 | Nil |
| Mr. V Chakrapani (Ceased on 09.09.2018) | 4 | 2 | Nil |

- b. The audit committee met on four occasions i.e 04th May 2018, 30th July 2018, 29th October 2018 and 30th January 2019.

The audit committee reviewed the concurrent audit reports and follow up including internal control systems prevailing in the company. Committee expressed its satisfaction on Accounts.

Nomination & remuneration committee

Executive Directors

The compensation of the executive directors comprises of fixed component and a performance incentives/ commission. The compensation is determined based on the levels of the responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board or Committee meetings attended by them.

Non-Executive Directors

Non Executive Directors are paid sitting fee only.

The Remuneration committee presently comprises of Three non-executive directors i.e. Shri. K Chaitanya Abhishek, Ms. Nama Rishita and Shri S MadhavaRao.

The Committee met twice during the year and all the committee members attended the meetings.

REMUNERATION OF DIRECTORS:

The details of remuneration paid/payable to all the directors for the year 2017-18 are:

i. Non executive directors (sitting fee only)

| | |
|--------------------------|---------|
| Mr. M.N. Thakkar | 7500/- |
| Mr. S. Madhava Rao | 37500/- |
| Mr. V. Chakrapani | 17500/- |
| Mr. K Chaitanya Abhishek | 27500/- |
| Ms. Nama Rishita | 37500/- |

ii. Managing/whole time Director (No Sitting fee)

| | Managing Director | % To Net Profit | Whole Time Director | % To Net Profit | Whole Time Director | % To Net Profit |
|------------|-------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| Fixed | | | | | | |
| Salary | 15,00,000/- | | 42,00,000/- | | 42,00,000/- | |
| Variable | | | | | | |
| Commission | 48,00,000/- | | 96,00,000/- | | 96,00,000/- | |
| Total | 63,00,000/- | 1.98% | 138,00,000/- | 4.35% | 138,00,000/- | 4.35% |

c. Stakeholders relationship/Grievance committee

The Shareholders Relationship/Grievance Committee comprises three Directors names as follows :

| | | |
|--------------------|----------|---------------|
| Shri. S MadhavaRao | Chairman | Non Executive |
| Shri. S Karunakar | Member | Executive |
| Ms. Nama Rishita | Member | Non Executive |

The Committee met twice during the year :30.07.2018 & 30.01.2019. All the members have attended all the meetings.

The company/RTA has attended to most of the investor’s grievances/correspondence within a period of 15 days from the date of receipt. Almost all the rest of the grievances was attended within the maximum period of 30 days. The transfers were completed within the maximum period of 30 days.

4. ANNUAL GENERAL MEETINGS:

| Year | Location of holding AGM | Date and Time of AGM |
|-----------|---|---|
| 2017-2018 | Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073 | 19 th September, 2018 at 10.30 A.M |
| 2016-2017 | Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073 | 25 th September, 2017 at 10.30 A.M |
| 2015-2016 | Hotel Grandeur, opp: J C Brother, Beside New Science College, Main road, Ameerpet, Hyderabad - 500073 | 18 th August, 2016 at 10.30 A.M |

Special Resolutions passed during the previous three Annual General Meetings:

- > 32nd Annual General Meeting
There were two Special Resolutions
- > 31st Annual General Meeting
There are no Special Resolutions
- > 30th Annual General Meeting
There are no Special Resolutions

5. DISCLOSURES

The Company complied with all the regulations of the Stock Exchanges, Securities and Exchange Board of India and other statutory bodies regulating the capital markets. No stretchers or penalties were imposed on the company. There are no transactions with related parties having potential conflict with the interest of the company at large. Other transactions are adequately disclosed in the notes to Annual Accounts.

6. MEANS OF COMMUNICATION

Quarterly Financial Results of the Company are forwarded to the Mumbai Stock Exchange and published in Financial Express/Business Standard (English) and Andhra Prabha (Telugu). Annual results / Shareholding pattern etc., of the company posted on the Listing Centre of BSE.

7. Postal Ballot

The company did not pass any resolution by postal ballot during the Financial Year 2018-19.

8. GENERAL SHAREHOLDER INFORMATION:

| | | |
|---|---|---|
| Date, Time and Venue of the 33 rd Annual General Meeting | : | 24 th September, 2019 At Hotel Grandeur Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073 |
| Financial Calendar | : | April to March |
| First quarter results | : | On or before 2 nd week of August 2019 |
| Second quarter results | : | On or before 2 nd week of November 2019 |
| Third quarter results | : | On or before 2 nd week of February 2020 |
| Results for the year ending Mar, 2019 | : | On or before ending of May 2020 |
| Date of Book Closure | : | 18 th September 2019 to 24 th September 2019 (Both days inclusive) |
| Dividend Payment date | : | Within 30 days from Date of AGM |
| Listing on Stock Exchanges | : | Bombay Stock Exchange Limited |
| Stock Code | : | 520075 (BSE) |
| Demat ISIN No for CDSL and NSDL | : | INE706B01012 |
| Dematerialization of shares | : | 96.73% of the paid up capital has been Dematerialized as on 31.03.2019 |

Stock Performance:

The performance of the company's shares on the BSE is given in the chart below:

MARKET PRICE DATA ON Company's SCRIP ON BSE DURING THE YEAR 2018 - 2019

| Month | High Rate | Low Rate |
|-----------------|-----------|----------|
| April, 2018 | 314.95 | 270.60 |
| May, 2018 | 314.65 | 241.70 |
| June, 2018 | 261.70 | 212.50 |
| July, 2018 | 273.15 | 211.20 |
| August, 2018 | 274.95 | 240.00 |
| September, 2018 | 260.00 | 209.10 |
| October, 2018 | 221.25 | 189.00 |
| November, 2018 | 220.00 | 195.00 |
| December, 2018 | 201.95 | 181.00 |
| January, 2019 | 197.90 | 174.70 |
| February, 2019 | 179.00 | 152.00 |
| March, 2019 | 198.85 | 158.10 |

| | |
|--|--|
| Outstanding ADR/GDR | Not Issued |
| Registered Office | 1-201, Divya Shakti Complex 7-1-58, Ameerpet , Hyderabad - 500016 Ph.No.040-23730596, 23735578,Fax 040-23730216 E-mail: admin@samkrg.com |
| Plant Locations | PLANT-I (Pistons)& (Steel Ring) Sy.No.537, Temple Road, Bonthapally Narsapur Taluk, Sangareddy District. PLANT-II (Rings) Sy.No.33, Varisam, Pydibhimavaram, Ranastalam Mandal, Srikakulam District. PLANT-III (Pistons) Sy.No.232, Arinama Akkivalasa, Allinagaram, EtcherlaMandal, Srikakulam District. |
| Investors' correspondence & share Transfer Agent in Physical form & In Electronic Mode | M/s XL Softech Systems Ltd 3, Sagar Society, Road No.2 Banjara Hills Hyderabad - 500034 Tel(040) 23553214 |
| Trading in shares (Electronic Form) | Made Compulsory for all categories of Investors w.e.f on Stock Exchanges 26-12-2000 as per SEBI's mandate |
| Compliance Officer | Mr. Dinker Mishra |
| Share Transfer System | Share transfers are registered and returned within a period of thirty days from the date of receipt, if the documents are in order in all respects. |
| Dividend Declared for the last 10 years | 2008-09 - 30% 2009-10 - 40% 2010-11 - 45% 2011-12 - 35% 2012-13 - 25% 2013-14 - 25% 2014-15 - 30% 2015-16 - 40% 2016-17 - 45% 2017-18 - 50% |
| Closing price of Company's Shares on Stock Exchange, Mumbai on 31.03.2019 | 169.75 |
| All Time high of Company's Share price on Bombay Stock Exchange Limited | 379.00 |
| Secretarial Audit | Secretarial Audit is being carried out every quarter by a practicing Company Secretary and audit report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time. |

PATTERN OF SHAREHOLDING AS ON 31.03.2019

| Description | No. of Shareholders | % | No. of Shares | % |
|----------------------------------|---------------------|----------------|----------------|---------------|
| Promoters | 10 | 0.102 | 6567839 | 66.879 |
| Individuals | 9437 | 96.681 | 3040668 | 30.962 |
| FII, NRIs/OCB | 184 | 1.885 | 84175 | 0.857 |
| Financial Institutions and Banks | 2 | 0.020 | 2100 | 0.021 |
| Mutual Funds | 2 | 0.020 | 1200 | 0.012 |
| Bodies Corporate | 117 | 1.199 | 116708 | 1.188 |
| Clearing Members | 9 | 0.092 | 7810 | 0.080 |
| TOTAL | 9761 | 100.000 | 9820500 | 100.00 |

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2019

| Range | No. of Shareholders | % | Share Amount | |
|-------------------|---------------------|---------------|-----------------|---------------|
| | | | In Rs. | % |
| Upto - 5,000 | 8745 | 89.59 | 11801680 | 12.02 |
| 5,001 - 10,000 | 539 | 5.52 | 4193680 | 4.27 |
| 10,001 - 20,000 | 263 | 2.69 | 3941640 | 4.01 |
| 20,001 - 30,000 | 92 | 0.94 | 2307460 | 2.35 |
| 30,001 - 40,000 | 30 | 0.31 | 1091190 | 1.11 |
| 40,001 - 50,000 | 26 | 0.27 | 1193150 | 1.21 |
| 50,001 - 1,00,000 | 34 | 0.35 | 2403030 | 2.45 |
| 1,00,001 & Above | 32 | 0.33 | 71273170 | 72.58 |
| TOTAL | 9761 | 100.00 | 98205000 | 100.00 |

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Directors and Senior Management personnel of the Company. It is further confirmed that all Director and Senior Management personnel of the Company affirmed compliance with the Code of Conduct of the company for the financial year ended on 31st March, 2019 as envisaged in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Hyderabad
Date : 29th May 2019

Sd/-
S.D.M. RAO
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE BY CEO/CFO

Pursuant to the provisions of SEBI (LODR) Regulations, 2015, it is hereby certified that for the financial year ended March 31, 2019:

We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief, these statements:

Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

Significant changes in internal control over financial reporting during the year;

Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad
Date : 29th May 2019

Sd/-
S.D.M. RAO
CHAIRMAN & MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
 SAMKRG PISTONS AND RINGS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying stand alone financial statements of SAMKRG PISTONS AND RINGS LIMITED (“the company”), which comprise the balance sheet as at 31st march, 2019, the statement of profit and loss(including other comprehensive income), the Cash Flow statement for the year then ended, and the statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information, [in which are incorporated the Returns for the year ended on the date of the company’s branch at VISAKHAPATNAM]

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Companies Act,2013(“the Act”) in the manner so required and give a true and fair view in conformity with the (Indian Accounting Standards) Rules,2015,as amended,(“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March,2019, the profit and loss account ,changes inequity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI ‘s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl.No. | Key Audit Matter | Auditor’s Response |
|--------|----------------------------------|---|
| 1. | Liability towards disputed taxes | a) An amount of Rs.48.85 lakhs due towards disputed entry Tax pertaining to the period 2011-12 to 2016-17 depends on the outcome of the appeal b) an amount of Rs.22.47 due pertains to 2002-03 towards entry tax depends on the outcome of the appeal. c) an amount of Rs.16.02 lakhs towards income tax for the year 2015-16 before appellate Tribunal, Hyderabad depends on the outcome of the petition. |

Information Other than the Standalone Financial Statements and Auditor’s Report there on

The Company’s Board of Directors is responsible for the preparation of the other information. The Information comprise the information included in the Management Discussion Analysis, Board’s Report including Annexure to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s information, but does not include the Standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be material misstated. If based on the work we have performed, we conclude that there is a material misstatement of other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone IND AS Financial Statements

The company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and Cash Flows and changes in equity; of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these IND AS Financial Statement based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of IND AS Financial Statements in accordance with the standards on Auditing specified under section 143 (10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS financial statements are free from material mis-statement. An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the IND AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS Financial Statements.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statement:

- a) Note 2-contingent liabilities- to the financial statement which, describes the pending uncertainty related to the outcome of the appeal filed with ADC(CT) WITH REGARDS TO THE ENTRY TAX BY the company . During the current Financial Year the company had appealed against dues of Entry Tax pertaining to the period From 2011-12 to 2016-17 of Rs.48.85 disputed Entry Tax before Asst. Commissioner State Tax, Punjaguta, Hyderabad. An amount of Rs.17.09 Lakhs paid towards Appeal Tax under protest.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Govt. in terms of Section 143(11) of the Act, we give in Annexure A statement of the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the VISAKHAPATNAM branch]
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account [and with the returns received from the VISAKHAPATNAM branch]
- d. in our opinion, the aforesaid IND AS Financial Statements comply with accounting standards specified under section 133 of the Act, read with relevant Rules issued there under.
- (e) on the basis of the written representation received from the directors as on 31st march 2019, taken on record by the board of directors, none of the directors is disqualified as on 31st march 2019, from being appointed as a directors in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, to our separate report in "Annexure A".
- (g) With respect to the matters to be included in the auditor's reporting in accordance with Rule 11 of the companies (Audit AND Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The company has disclosed the impact of pending litigation on its financial position in its IND AS financial statement -Refer Note 2- contingent liabilities to the IND AS financial statement;
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

For **SRIDHARA CHARY V & CO.**,
Chartered Accountants
(Firm Registration No. 0114785)

(V.SRIDHARA CHARY)
M.NO 218343
Proprietor

Place : HYDERABAD
Date : 29th May, 2019

“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SAMKRG PISTONS AND RINGS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST 2019.

(STATEMENT REFERRED TO IN PARAGRAPH 5 OF REPORT OF EVEN DATE)

IN RESPECT OF ITS FIXED ASSETS

1. (a) The company has maintained proper records showing the full particulars quantitative details And situation of fixed assets.
- (b) The company has program for phased physical verification of all its fixed assets which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

IN RESPECT OF ITS INVENTORIES

2. a) The management has conducted physical verification of the finished goods at reasonable intervals.
- b) The procedure of physical verification of stock followed by management are considered reasonable and adequate in relation to the size of the company and the nature of its business.
- C) on the physical verification of stock as compared to book records no material discrepancies were noticed. The company is maintaining proper records of inventory.
- d) on the basis of our examination of stock, we are satisfied that the valuation of stock is fair and in accordance with normally accepted accounting principles.
- e) The imported goods were valued the invoice value. The exchange rate variation if any at the end of the year were not considered sine the impact on the profit or loss is insignificant.

IN RESPECT OF THE LOANS SECURED OR UNSECURED GRANTED OR TAKEN BY THE COMPANY TO/FORM COMAPANIES, FIRMS OR OTHER PARTIES IN THE REGISTER MAINTAINED SEC 301 OF THE COMPANIES ACT.

3. According to the information and explanations given to us, The company had not taken any loans from the directors and their relatives during the year .

INTERNAL CONTROL SYSTEM

4. In our and according to the information and explanation of given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchases of stores, spares parts including components, plants and machinery, equipment and other assets and for sale of the goods. The company had internal auditor and the report of the internal Auditor was placed before us. In the Internal audit report there are no adverse comments which warrants our reporting.
5. We have broadly reviewed the books of accounting to materials, labour and other item of cost maintained by the company pursuant to the rules made by the central Government for the maintenance of the cost records under section 148 (1) of the companies Act, 2013 and are of the opinion that, prime facie, the prescribed records and accounts have been maintained by the company . we have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.
6. (a) The provident fund and employees state insurance dues have regularly deposited with the appropriate authorities.

- (b) According to the information and explanation given to us the company does not have undisputed amount payable in respect of income Tax , wealth Tax, Excise Duty and customs Duty outstanding for a period more than six month from then date they become payable. In respect of sales Tax (Entry Tax) there is disputed amount of 22.47 lacs not deposited with sales Tax department. The company had filed an appeal with ADC (CT) PUNJAGUTTA DIVISION HYDERABAD AGAINST CERTAIN points in the order of the assessment year 2002-03.

| S.NO | NAME OF THE STATUE | NATURE OF DUES | AMOUNT IN LAKHS | FORUM WHERE DISPUTE IS PENDING. |
|------|---------------------|---------------------------------|-----------------|--|
| 1 | SALES TAX ACT 1956 | ENTRY TAX | 22.47 | ADC(CT) |
| 2 | INCOME TAX ACT 1961 | INCOME TAX | 16.02 | APPL. TRIBUNAL HYD |
| 3 | VAT ACT, 2005 | ENTRY TAX 2011-12 TO 2016-17 | 48.85 | ASST. COMMISSIONER STATE TAX, PUNJAGUTA HYDERABAD |

In this regard please refer to the point 2-CONTINGENT LIABLITIES to the other information to the NOTES TO THE ACCOUNTS. We are of the opinion that as and when the demand is raised after hearing of the case, the same will be accounted and settled since the period of the case is beyond the stipulated period.

7. The company has no accumulated losses at the end of the financial year and, has not incurred any cash losses in the financial year under report and in the immediately preceding financial year.
8. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institution /banks. The company has not issued any debentures.
9. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the Audit.

For **SRIDHARA CHARY V & CO.,**
 Chartered Accountants
 (Firm Registration No. 011478S)

(V.SRIDHARA CHARY)
 M.NO 218343
 Proprietor

Place : HYDERABAD
 Date : 29th May, 2019

ANNEXTURE-B TO THE AUDITOR'S REPORT

Report on the internal Financial Control under Clause (i) of Sub Section 3 of Section 143 of the Companies Act , 2013("the Act")

We have audited the internal financial controls over the financial reporting of SAMKRG PISTONS AND RINGS LIMITED AS OF 31st March 2019 in conjunction with our audit of the standalone IND AS Financial Statements of the company for the year ended on that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the companies Act 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal Financial Control, both applicable to an audit of internal Financial Control and, both issued by the institute of chartered accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls bases on assessed risk. The procedures selected depended on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due fraud or error. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide basis for our audit opinion on the company's financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with the generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that , in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles , and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition , use , or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2019, bases on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the institute of Chartered Accountants of India.

For SRIDHARA CHARY V & CO.,
Chartered Accountants
(Firm Registration No. 0114785)

(V.SRIDHARA CHARY)
M.NO 218343
Proprietor

Place : HYDERABAD
Date : 29th May, 2019

INDEPENDENT AUDITORS' CERTIFICATE

To the Members of **SAMKRG PISTONS AND RINGS LIMITED**

1. We, SRIDHARA CHARY V & CO, CHARTERED ACCOUNTANTS, THE STATUTORY AUDITORS OF SAMKRG PISTONS AND RINGS LIMITED ("THE COMPANY") have examined compliance of conditions of Corporate Governance by the company, for the year ended 31st March 2019, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and para C and D of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 ("THE Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes design, implementation and maintenance of Internal control and procedures to ensure the compliance with the conditions of the corporate Governance stipulated in listing Regulations.

Auditors Responsibility

3. Our Responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with the Corporate Governance requirements of the company.
5. We have carried out an examination of relevant records of the company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI "), THE Standards On Auditing specified under sec 143(10) of the Companies Act 2013 , in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for firms that performs Audits and Reviews of

Historical Financial Information, and other Assurance and related Service Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of regulations 46(2) and para C and D of Schedule V of the Listing Regulations DURING THE YEAR ENDED March 31,2019.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SRIDHARA CHARY V & CO.,**
Chartered Accountants
(Firm Registration No. 011478S)

(**V.SRIDHARA CHARY**)
M.NO 218343

Proprietor

Place : HYDERABAD

Date : 29th May, 2019

BALANCE SHEET AS AT 31ST MARCH 2019**Rs. In Lakhs**

| PARTICULARS | NOTE NO. | 2018-19 | 2017-18 |
|---|----------|--|---|
| | | FIGURES AT THE END OF THE CURRENT REPORTING PERIOD | FIGURES AT THE END OF THE PREVIOUS REPORTING PERIOD |
| II. ASSETS : NON CURRENT ASSETS | | | |
| (1) Fixed Assets | | 14667.19 | 13726.58 |
| (i) Tangible Assets | 1 | 14355.75 | 13448.42 |
| (ii) Intangible Assets | | | |
| (iii) Capital Work-in-progress | | | |
| (iv) Intangible assets under development | | | |
| (b) Non-Current investments | | | |
| (c) Deferred Tax assets (net) | | | |
| (d) Long-Term loans and advances | 2 | 311.44 | 278.16 |
| (e) Other non-current assets | | | |
| (2) Current Assets | | 6410.72 | 5934.09 |
| (a) Current Investments | | | |
| (b) Inventories | 3 | 1950.13 | 1863.81 |
| (c) Trade receivables | 4 | 4222.29 | 3835.30 |
| (d) Cash and Cash equivalents | 5 | 70.36 | 137.44 |
| (e) Short-term loans and advances | 6 | 167.95 | 97.32 |
| (f) Other Current Assets | 7 | 0.00 | 0.22 |
| TOTAL ASSETS | | 21077.92 | 19660.67 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Share Holders' Funds | | 14128.74 | 12601.82 |
| (a) Share Capital | 8 | 982.05 | 982.05 |
| (b) Reserves and Surplus | 9 | 13146.69 | 11619.77 |
| (c) Money Received Against Share Warrants | | | |
| (2) Share Application Money pending allotment | | | |
| (3) Non-Current Liabilities | | 1418.95 | 1575.22 |
| (a) Financial Liabilities - borrowings | 10 | 481.48 | 674.45 |
| (b) Provisions | 11 | 561.46 | 569.76 |
| (c) Long term Borrowings | 12 | 0.00 | 0.00 |
| (d) Deferred Tax Liabilities | | 376.01 | 331.01 |
| (4) Current Liabilities | | 3450.88 | 3643.96 |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 1746.90 | 1805.81 |
| (ii) Trade payables | | 1665.34 | 1801.21 |
| (iii) Other Financial Liabilities | | | |
| (b) Other current liabilities | | 38.64 | 36.94 |
| (c) Provisions | 14 | 2079.35 | 1839.65 |
| TOTAL EQUITY AND LIABILITIES | | 21077.92 | 19660.67 |

THIS IS THE FORM OF BALANCE SHEET REFERRED TO IN OUR REPORT ON EVEN DATE

SRIDHARA CHARY V & CO

Chartered Accountants

Firm Regn No. 0114785

Sd/-

V SRIDHARA CHARY

Proprietor

Membership No 218343

Place : Hyderabad

Date : 29th May, 2019

For and on behalf of the Board of Directors

Sd/-

S.D.M.RAO

Chairman &

Managing Director

Sd/-

M.N.THAKKAR

Director

Sd/-

DINKER MISHRA

Company Secretary

Membership No. ACS48511

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

| | | Rs. In Lakhs | |
|-------------|--|--|---|
| | | 2018-19 | 2017-18 |
| PARTICULARS | NOTE NO. | FIGURES AT THE END OF THE CURRENT REPORTING PERIOD | FIGURES AT THE END OF THE PREVIOUS REPORTING PERIOD |
| I | Revenue from Operations | 28283.61 | 26116.54 |
| II | Other Income | 198.73 | 219.12 |
| III | Total Revenue | 28482.33 | 26335.66 |
| IV | Expenses | | |
| | Cost of Material Consumed | 15724.80 | 13782.62 |
| | Change in Inventories of Finished Goods, Work in Progress and Stock in Trade | -67.27 | -220.61 |
| | Employees Benefits Expenses | 5289.86 | 5614.63 |
| | Finance Cost | 143.75 | 140.23 |
| | Depreciation and Amortization Expenses | 1205.97 | 1305.18 |
| | Other Expenses | 3010.02 | 2785.31 |
| | Total Expenses | 25307.13 | 23407.36 |
| V | Profit Before Exceptional items (III-IV) | 3175.20 | 2928.30 |
| VI | Exceptional Items | 0.00 | |
| VII | Profit before Extraordinary items and Tax (V-VI) | 3175.20 | 2928.30 |
| VIII | Extraordinary items | | |
| IX | Profit before Tax (VII-VIII) | 3175.20 | 2928.30 |
| X | Tax Expenses | | |
| | (1) Current Tax | 1026.61 | 866.25 |
| | (2) Deferred Tax | 45.00 | 46.59 |
| XI | Profit (Loss) for the period from continuing operations (IX-X) | 2103.59 | 2015.46 |
| XII | Profit (Loss) from discontinuing Operations | | |
| XIII | Tax Expenses of discontinuing operations | | |
| XIV | Profit (Loss) from discontinuing operations (after tax) (XII-XIII) | | |
| XV | Profit (Loss) for the period (XI-XIV) | 2103.59 | 2015.46 |
| XVI | Earning per Share | | |
| | (1) Basic | 21.42 | 20.52 |
| | (2) Diluted | 21.42 | 20.52 |

SRIDHARA CHARY V & CO

Chartered Accountants
Firm Regn No. 011478S

Sd/-

V SRIDHARA CHARY

Proprietor

Membership No 218343

Place : Hyderabad

Date : 29th May, 2019

Sd/-

S.D.M.RAO

Chairman &
Managing Director

Sd/-

M.N.THAKKAR

Director

Sd/-

DINKER MISHRA

Company Secretary
Membership No. ACS48511

For and on behalf of the Board of Directors

NOTES FORMING PART OF BALANCE SHEET**NOTE-1**

Rs. In Lakhs

| | Value As At 4/1/2018 | Net Addition/ Deletion During The Year | Value As At 3/31/2019 |
|-------------------------|-------------------------|--|--------------------------|
| FIXED ASSETS | | | |
| Land-Free Hold | 189.61 | 0.00 | 189.61 |
| Buildings | 2699.35 | 343.72 | 3043.07 |
| Plant And Machinery | 22618.31 | 1669.68 | 24287.98 |
| Electrical Installation | 644.52 | 40.19 | 684.72 |
| Furniture And Fixtures | 177.62 | 5.63 | 183.26 |
| Vehicles | 402.99 | 0.00 | 402.99 |
| Software | 0.00 | 54.09 | 54.09 |
| Impairment Of Assets | 194.18 | 0.00 | 194.18 |
| TOTAL | 26926.57 | 2113.31 | 29039.88 |

1. The Fixed Assets Includes Self Made Machines.

2. The Cost Of Fixed Assets Is Net Of Gst Credit Availed And To Be Claimed.

| | 2018-19 | 2017-18 |
|---|-----------------|-----------------|
| Net Block Of Fixed Assets As On 01-04-2018 | 13448.42 | 12249.55 |
| Additions During The Year | 2113.31 | 2504.05 |
| Less: Depreciation Provided During The Year | 1205.97 | 1305.18 |
| Net Block As On 31.03.2019 | 14355.75 | 13448.42 |

NOTE-2**Long Term-Loans And Advances**

Unsecured And Considered Good

Spdcl / Epdcl Deposit

TOTAL

311.44

278.16

311.44

278.16

NOTE-3**INVENTORIES**

Stores And Spares

Raw Materials

Semi Finished Goods

Finished Goods

TOTAL279.09

251.43

354.85

363.46

555.29

481.02

760.90

767.91

1950.13

1863.81

The Work In Progress Represents Only Part Of The Regular Product That Were Under Production and not covered for any reservation For Warranty Claims.

The Finished Goods Were Valued At Lower Of The Cost Of Sale Or Realisable Value. The cost does not include Gst Component.

The Gst Is Neither Considered For Opening Stock Nor Closing Stock. This Method was followed consistently by the company. The raw Materials including trade goods stores and spares were valued at cost to the unit.

NOTE-4

Trade Receivables

Unsecured Considered Good

TOTAL

4222.29

3835.30

4222.29

3835.30

47

NOTES FORMING PART OF BALANCE SHEET

Rs. In Lakhs

NOTE-5

| | 2018-19 | 2017-18 |
|----------------------------------|--------------|---------------|
| CASH AND CASH EQUIVALENTS | | |
| Cash In Hand | 1.07 | 1.12 |
| Balance With Banks | 36.71 | 115.14 |
| Margin Money With Banks | 32.58 | 21.18 |
| TOTAL | 70.36 | 137.44 |

NOTE-6

SHORT TERM LOAN AND ADVANCES

| | | |
|---------------------------|---------------|--------------|
| Secured Considerd Good | | |
| Advances To Staff | 72.40 | 75.55 |
| Other Deposits | 6.26 | 6.26 |
| Unsecured Considered Good | 0.00 | 0.00 |
| Advances To Others | 62.11 | 15.50 |
| Other Advances | 27.18 | 0.01 |
| TOTAL | 167.95 | 97.32 |

NOTE-7

OTHER CURRENT ASSETS

| | | |
|---------------------|-------------|-------------|
| Excise Duty Deposit | 0.00 | 0.00 |
| Service Tax | 0.00 | 0.00 |
| Vat Credit | 0.00 | 0.22 |
| TOTAL | 0.00 | 0.22 |

NOTE-8

SHARE CAPITAL

| | | |
|--|---------|---------|
| Authorized | 1250.00 | 1250.00 |
| Issued , Subscribed And Paid Up | 982.05 | 982.05 |
| Par Value Of Share -Rupees | 10.00 | 10.00 |
| Shares Held By Share Holder Holding More Than 5% Share (In Nos) | | |
| Sdm Rao | 1005044 | 1005044 |
| Sdmrao-Huf | 68276 | 68276 |
| S.saraswathi | 2630205 | 2630205 |
| S.karunakar | 522774 | 522774 |
| S.kishore | 513035 | 513035 |

For The Period Of Five Years Immediately Preceding The Date As At The Balalce Sheet Prepared

FORFEITED SHARES (AMOUNT ORIGINALLY PAID UP)

| | | | |
|------------------------------|--------------|------|------|
| 10800 Shares @Rs 5 Per Share | } 1.03.Lakhs | 0.54 | 0.54 |
| 9750 Shares @ Rs 5 Per Share | | 0.49 | 0.49 |

NOTES FORMING PART OF BALANCE SHEET

| | Rs. In Lakhs | |
|---|-----------------|-----------------|
| | 2018-19 | 2017-18 |
| NOTE-9 | | |
| OTHER EQUITY | | |
| (I) Capital Reserve | 56.03 | 56.03 |
| (ii) Securities Premium Reserve | 163.92 | 163.92 |
| (iii) Revaluation Reserve | 155.21 | 155.21 |
| (iv) General Reserve | 624.61 | -6.47 |
| (V) Surplus In Statement Of Profit And Loss | 12146.93 | 11251.09 |
| TOTAL | 13146.69 | 11619.77 |
| The Capital Reserve Includes An Amount Of Rs 1.03 Lacs Form Forefeature Of Shares and subsidy from the Govt for setting up the unit in backward area | | |
| An Amount of Rs.42,50,000/- was spent CSR towards the development and constructions of (1) Sri Venkateswara Degree College, Parvatipuram, A.p with Auditorium, Play Grounds, Toilets For Boys, Girls and Staff, Varanda Flooring and Renovation of Rooms Including Flooring and Electrification and handed over to Principal. | | |
| (2) Kpm School, Kottavalasa - Parvathipuram, Ap - Constuction Of First Floor Class Rooms 8000 Sft, Ball & Badminton & Koko Courts and Dias for Assembly , Toilets - Painting of School - Inside Road Compound Wall. | | |
| GENERAL RESERVE | | |
| Opening Balance | -6.47 | 284.45 |
| Add: Transfer From P/L A/C | 631.08 | 253.07 |
| Less: Earlier Years Tax&Dividend And Devidend Tax | 0 | 544.00 |
| NET RESERVE | 624.61 | -6.47 |
| PROFIT AND LOSS ACCOUNT | | |
| Opening Balance | 11271.15 | 9488.70 |
| Add: Current Year Profit | 2103.59 | 2015.46 |
| Less: Trasfer To General Reserve | 631.08 | 253.07 |
| | 12743.66 | 11251.09 |
| Less: Earlier Years Tax&Dividend And Devidend Tax | 596.73 | 0 |
| NET PROFIT AND LOSS ACCOUNT | 12146.93 | 11251.09 |
| NOTE-10 | | |
| Other Long Term Liabilities | | |
| Sales Tax Deferal Loan | 481.48 | 674.45 |
| TOTAL | 481.48 | 674.45 |

INTEREST FREE SALES TAX LOAN IS REPAYABLE AS FOLLOWS:

1. Plant-i-Second Deferment Repayable In 14 Years Commenced From April 2012
 2. Plant-ii=First Deferment Repayable In 10 Years Commenced From 2004 And Second Deferment From April 2015
 3. Plant-iii-Repayable In 14 Years Commenced From April 2011
- An Amount Of Rs 141.14 Lakhs Represents Repayable In The Next 12 Months Had Been Shown Under Current Liabilities

NOTES FORMING PART OF BALANCE SHEET

Rs. In Lakhs

| | 2018-19 | 2017-18 |
|-----------------------------|---------------|---------------|
| NOTE-11 | | |
| Long Term Provisions | | |
| Provision For Gratuity | 561.46 | 569.76 |
| TOTAL | 561.46 | 569.76 |

The Employees Who Are Become Eligible Had Been Considered For Valuation And The Amounts Were Worked Out And Provided.

NOTE-12

| | | |
|-----------------------------|----------|----------|
| Long Term Borrowings | | |
| Fully Secured | | |
| Loans For Vehicles | 0 | 0 |
| Unsecured | 0 | 0 |
| Other Loans | 0 | 0 |
| TOTAL | 0 | 0 |

NOTE-13

| | | |
|--|----------------|----------------|
| Short Term Borrowings | | |
| Secured | | |
| Cash Credit - Stocks | 1605.76 | 1635.08 |
| Sales Tax Deferrment Loan-Payable With In A Year | 141.14 | 170.74 |
| TOTAL | 1746.90 | 1805.82 |

Working Capital Loan With Sbi Is Secured By Hypothecation Of All Current Assets Including Book Debts On First Charge Basis And Second Charge On All Fixed Assets And Immovable Properties Of The Company

NOTE-14

| | | |
|----------------------------------|----------------|----------------|
| Short Term Provisions | | |
| Other Provisions | 899.04 | 829.65 |
| Provision For Employees Benefits | 1180.31 | 1010.00 |
| TOTAL | 2079.35 | 1839.65 |

The Other Provisions Includes The Power Bill For The Month Of March.

Current Liabilities

| | | |
|---------------------------|----------------|----------------|
| Trade Payables | 1665.34 | 1801.21 |
| Other Current Liabilities | 38.64 | 36.94 |
| TOTAL | 1703.98 | 1838.15 |

NOTES FORMING PROFIT AND LOSS ACCOUNT

| | Rs. In Lakhs | |
|---|-----------------|-----------------|
| | 2018-19 | 2017-18 |
| NOTE-1 | | |
| REVENUE FROM OPERATIONS | | |
| (a) Sale Of Products(Gross) | 35616.53 | 32397.76 |
| (b) Sale Of Services | 0 | 0 |
| Less: GST | 6706.74 | 4937.04 |
| Less: Excise Duty | 0 | 648.73 |
| Less: Vat & Cst | 0 | 115.94 |
| Net Sales | 28909.79 | 26696.05 |
| Less: Incentives On Sales | 672.46 | 600.71 |
| Net Revenue From Sales | 28237.33 | 26095.34 |
| (c) Other Operating Revenue | 46.27 | 21.20 |
| TOTAL NET OPERATING REVENUE | 28283.61 | 26116.54 |
| NOTE-2 | | |
| Other Income | | |
| (a) Interest Income-With Notes | 21.85 | 10.02 |
| Interest From Bank On Margin Money and Deposits With Apeeb | | |
| (b) Exports Incentives | 112.92 | 197.38 |
| (c) Dividend Income | | |
| (d) Net Gain/ Loss On Foreign Currency | 63.29 | 11.72 |
| (e) Other Non-Operating Income (Net) | 0.66 | |
| TOTAL | 198.73 | 219.12 |
| NOTE-3 | | |
| COST OF MATERIAL CONSUMED | | |
| (A) Opening Stock | 614.89 | 522.43 |
| (B) Add: Purchases | 15743.85 | 13875.06 |
| (C) Less: Closing Stock | 633.94 | 614.89 |
| TOTAL | 15724.80 | 13782.60 |
| NOTE-4 | | |
| INCREASE/DECREASE IN STOCKS | | |
| OPENING STOCK | | |
| Semi Finished Goods | 481.02 | 505.75 |
| Finished Goods | 767.90 | 522.56 |
| | 1248.92 | 1028.31 |
| CLOSING STOCK | | |
| Semi Finished Goods | 555.29 | 481.02 |
| Finished Goods | 760.90 | 767.91 |
| | 1316.19 | 1248.93 |
| INCREASE/DECREASE IN STOCKS | -67.27 | -220.62 |

NOTES FORMING PROFIT AND LOSS ACCOUNT

| | Rs. In Lakhs | |
|---|----------------|----------------|
| | 2018-19 | 2017-18 |
| NOTE-5 | | |
| EMPLOYEES BENEFIT EXPENSES | | |
| (I) Salaries & Wages | 4514.77 | 4970.47 |
| (ii) Contribution To Provident Fund And Other Funds | 318.48 | 224.65 |
| (iii) Staff Welfare Expenses | 456.61 | 419.51 |
| TOTAL | 5289.86 | 5614.63 |
| NOTE-6 | | |
| FINANCE COST | | |
| (A) Interest Expenses | 80.25 | 89.76 |
| (B) Other Borrowing Cost | 63.49 | 50.47 |
| TOTAL COST | 143.75 | 140.23 |
| NOTE-7 | | |
| DEPRECIATION AND AMORTIZATION EXPENSES | 1205.97 | 1305.18 |
| NOTE-8 | | |
| OTHER EXPENSES | | |
| Rent, Rates & Taxes | 175.96 | 181.60 |
| Printing & Stationary | 93.18 | 72.88 |
| Communicational Expenses | 33.29 | 40.67 |
| Conveyance & Travelling | 193.66 | 195.11 |
| Director's Sitting Fee | 1.18 | 0.42 |
| Insurance | 25.86 | 20.65 |
| Auditor's Remuneration | 6.00 | 6.00 |
| Legal & Professional Charges | 12.28 | 6.64 |
| Repairs & Maintenance | 641.94 | 471.04 |
| Selling And Distribution Expenses | 1660.72 | 1588.83 |
| Advertisement | 3.34 | 7.63 |
| Miscellaneous Expenses | 70.11 | 86.75 |
| Gratuity | 50.00 | 69.59 |
| CSR Expenditure | 42.50 | 37.50 |
| TOTAL | 3010.02 | 2785.31 |

OTHER INFORMATION:**1. CORPORATE INFORMATION :**

Samkr Pistons and Rings Limited (the company) is engaged in the Manufacturing of Automobile components. The Company has manufacturing plants at Bonthapally, Sangareddy Dist. (T.S.) and Two units at Srikakulam District, Andhra Pradesh. The Company is a Public Limited Company and is listed on the BSE Limited. The Functional Currency of the company is Indian Rupees. The Financial Statements prepared under Company (Accounting Standards) Rules, 2015 for the year ended 31st March, 2019 were adopted by the company on 29th May, 2019.

2. BASIS OF PREPARATION:

The Financial Statements have been prepared in accordance with Section 133 of the Companies Act, 2013, Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015. The Financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets.

Transactions and balances with values below the rounding off norm adopted by the company have been reflected as "0" in the relevant notes in these financial statements.

The Financial Statements of the Company for the year ended 31/03/2019 were approved for issue in accordance with the resolution of the board of directors on 29/05/2019.

3. BASIS OF MEASUREMENT:

These Financial Statements are prepared under historical cost convention unless otherwise stated.

4. REVENUE RECOGNITION:

The company has applied "Ind AS 115 - Revenue from contracts with customers" with effect from 1st April, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The nature effect of these changes as a result of adoption of these new standards are described below:

Other than the changes described below, the accounting policies adopted are consistent with those of the previous years.

It requires revenue to be recognized when or as control of the goods or service transfers to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

As per the Company's current revenue recognition practices transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognized reflects the consideration to which the company expects to be entitled in exchange of goods or services.

Revenues are measured at fair value of the consideration received or receivable, net of discounts, volume rebates, goods and service tax and other indirect taxes. Revenue from sale of by products are included in revenue.

The Standard permits two possible methods of transition:

1. Retrospective Approach:

Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS-8, Accounting policies, changes in accounting estimates and errors.

2. Cumulative catch up approach:

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application

The company has adopted the cumulative catch up transition method and accordingly comparatives for the year ending 31st March, 2019 will not be retrospectively adjusted

The accounting changes required by the standard are not having material effect on the company's financial statements and no transitional adjustment is recognized in retained earning on 1st April, 2018.

Income from export incentives such as duty drawback and premium on sale of import licenses are recognized on accrual basis.

Interest income is recognized using the effective interest rate method.

5. Expenses are accounted on accrual basis.

6. EMPLOYEE BENEFITS:

Contributions to defined contribution schemes such as ESI, Labor welfare fund ,employee pension scheme are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees .Companies provident fund contribution in respect of certain employees is made to government administered fund and charged as an expense to the statement of profit and loss. The above benefits are classified as Defined contribution schemes as the company has no further defined obligations beyond the monthly contribution.

7. PROPERTY , PLANT AND EQUIPMENT:

Property , plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment if any, subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate only if it is probable that future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably.

All other repairs and maintenance are charged to the statement of profit and loss during the period in which they are incurred .

Gains and losses arising on retirement or disposal of property, plant equipment are recognized in profit and loss , if any

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as Capital work in progress .

Free hold land is not depreciated .

The residual values, useful lives and method of deprecation of property ,plant and equipment is reviewed at each financial year end and adujsted prospectively if appropriate.

8. INTANGIBLE ASSETS:

Separately purchased intangible assets are initially measured at cost. Subsequently , intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite life assets are amortized on a straight line basis over the period of their expected useful lives.

Estimated useful lives by major class of finite life intangible assets are as follows:

COMPUTER SOFTWARE 10 YEARS

The amortization period and amortization method for finite life intangible assets is reviewed at each financial year and adjusted prospectively, if appropriate.

9. FOREIGN CURRENCIES:

The company's financial statements are presented in INR, which is also the functional currency of the company.

Transactions and Balances: Transactions in foreign currencies are initially recognized by the company at its functional currency spot rates at the date the transaction when it first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit and loss statement.

10. INCOME TAXES:

Income tax expense for the year comprises of current tax and deferred tax . It is recognized in profit and loss.

Current tax is the expected tax payable / receivable on the taxable income / loss for the year using applicable tax rates at the Balance Sheet date , and any adjustment to taxes in respect of the previous years.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for taxation purposes.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted by the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized .Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

11. DIVIDEND :

Final Dividend on shares are recorded as a liability on the date of approval by the shareholders. This has been consistently followed from financial year 2015-16.

12. USE OF ESTIMATES:

The preparation of Financial Statements is in conformity with Indian accounting standards (Ind AS) , requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statements and reported income and expenses during the year . The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which results are known / materialize.

13. FINANCIAL INSTRUMENTS:

Financial Assets and Financial Liabilities are recognized when the company becomes a party to contractual provisions of the instrument.

14. PROVISIONS AND CONTINGENT LIABILITIES:

(a) Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Current provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

(b) Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed by the occurrence of non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is probable that an outflow of resources will be required to settle of reliable estimate of the amount cannot be made.

15. CASH AND CASH EQUIVALENTS:

In the cash flow statement, cash and cash equivalents include cash, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

16. SEGMENT REPORTING UNDER IND AS-108:

The Company operates in single primary business segment viz., manufacture of Auto components - Piston assemblies.

17 Taxes and Income

- a) Current tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.
- b) Taxable temporary differences will always lead to Deferred Tax Liability
- c) The timing deferece on account of depreciation charged on the assets as per the companies act and as per the Income Tax Act has been provided. The net Deferred Tax Liability over the Deferred Tax Assets was Rs.45.00 lakhs and considered for the current year was Rs 45.00 lakhs.(previous year Rs 46.59 lakhs)

18 Contingent Liabilities not provided for

Disputed amount of Rs.22.47 lakhs towards a.p. tax on entry of goods for the assessment year 2002-03 is pending which we have already paid an amount of Rs. 3.21 lakhs the case did not come for any hearing further. Disputed amount of Rs.48.85 lakhs towards Entry Tax for the periods 2011-12 to 2016-17 is pending with The Assistant Commissioner of State tax .Somajiguda Circle,Punjagutta Division ,Hyderabad against which we have already paid an amount of Rs.17.09 lakhs the case did not come for any hearing further.

19 Details under Micro and Small medium Enterprises Development Act

SUNDRY CREDITORS

Disclosure under the Micro and Small Enterprises Development Act, 2006. Amount Due to Micro and Small Enterprises are disclosed on the basis of information company regarding available with the status of the supplier is as follows

| Sr. No. | Particulars | Rs. in Lakhs | | | |
|---------|---|----------------|---------|----------------|----------|
| | | 2018-19 | | 2017-18 | |
| | | Principal | Intrest | Principal | interest |
| 1 | Principal Amount and Interest thereon due, remaining unpaid at the end of the year. | 59.18 | Nil | 51.06 | Nil |
| 2 | Interest paid during the year | Nil | Nil | Nil | Nil |
| 3 | Interest due and payable (on the amount which havebeen paid beyond the appointed date during the year) | NA | NA | NA | Nil |
| 4 | Interest remaining accrued and unpaid at the end of year | NA | NA | NA | Nil |
| 5 | Interest due of the previous year | NA | NA | NA | Nil |
| | | 2018-19 | | 2017-18 | |
| 20 | Expenditure in Foreign Currency Travelling | 0 | | 3.91 | |
| 21 | Earnings in Foreign Currency (on receipts basis) | 5257.24 | | 4560.59 | |
| 22 | Related Party Disclosures as per Ind AS -24 | | | | |

Related Parties transactions for the Year ended 31.03.2019

| SL. No. | NAMES OF RELATED PARTIES & DESCRIPTION OF RELATIONSHIP | NATURE OF TRANSACTIONS | AMOUNT PAID IN RS. | BALANCE |
|---------|--|----------------------------------|--------------------|---------|
| 1 | Shri S. karunakar - Director | Rent paid / payable | 1308000 | 0 |
| 2 | Shri S. kishore - Director | Rent paid / payable | 1188000 | 0 |
| 3 | Smt. S. Saraswathi - W/o CMD | Rent paid / payable | 1872000 | 0 |
| 4 | Saraswathi Enterprises - (Firm) | Rent paid / payable | 6240000 | 0 |
| 5 | Key Management Personnel | | | 0 |
| | Shri S.D.M. Rao - Chairman & M.D | Remuneration . & commission paid | 6300000 | 0 |
| | Shri S. karunakar - Director | | 13800000 | 0 |
| | Shri S. kishore - Director | | 13800000 | |
| 6 | Gopal Engineering Corporation | Job works & Retro of m/cs | 48016685 | 0 |

Mrs. S. Saraswathi is a major partner and she is related to Director of the company and hence the transaction with Gopal engineering co is reported under related party transaction.

The Company had taken on lease of properties from the Directors of the Company and relatives of the Directors of the company for the staff at factory, Visakhapatnam and at Hyderabad and office at Visakhapatnam

23 The Company had already transferred balance funds in Un-paid Dividend account to Investors Education Fund amount to Rs. 2.21 lacs . The amount was deposited on 11/03/2019 after a delay of six months

| | 2018-19 | 2017-18 |
|-------------------------------------|-------------|-------------|
| 24 PAYMENT TO AUDITORS | | |
| (a) Auditor Fee | 4.50 | 4.50 |
| (b) for Tax Audit and other matters | 1.50 | 1.50 |
| TOTAL | 6.00 | 6.00 |

25 **CIF VALUE OF IMPORTS**

by the company during the financial year in respect of

| | | |
|--------------------------------|---------|--------|
| (a) Raw material | 1078.03 | 937.01 |
| (b) Components and spare parts | 26.44 | 2.75 |
| (c) Capital Goods | 594.43 | 170.02 |

26 **Consumption**

| | | |
|-------------------------------|----------|----------|
| Imported raw materials | 1078.03 | 937.01 |
| spare parts components | 26.44 | 2.75 |
| Total indigenous raw material | 12659.06 | 10929.87 |

spare parts components

| | | |
|-----------------------------|-------|-------|
| Total of percentage of each | | |
| INDIGENIOUS | 91.97 | 90.65 |
| IMPORTED | 8.03 | 9.35 |

The Cost of Raw material does not include the power and fuel and transportation.

27 The obligation under EPCG concessional duty scheme on account capital Equipments imports amounting to Rs. 1721.87 Lakhs (previous year Rs. 2097.70 lakhs)

28 The company had not accepted any deposits from public nor solicited any as per companies act deposit rules 2013. The company had taken security deposits from our dealers of our products and paying interest at @9% . The deposits are repayable at the closure of the dealership only.

29 Figures for the previous year has been regrouped/reclassified wherever necessary to be conformity with the current year format of IND AS SCHEDULE - III to the Companies Act.

30 Earnings Per Share under Ind AS 33

| | Rs. in Lakhs | |
|--|--------------|---------|
| | 2018-19 | 2017-18 |
| Profit After Taxation as per Profit and Loss Account | 2103.59 | 2015.46 |
| Number of Weighted Average of Shares | 9820500 | 9820500 |
| Basic and Diluted Earnings Per Share | 21.42 | 20.52 |
| Nominal Value per Equity Share | 10 | 10 |

31 Signature to Schedule 1 to 14 and 1 TO 8 AND 5(1) to 5(30)

SRIDHARA CHARY V & CO

Chartered Accountants

Firm Regn No. 0114785

| | | | |
|---|--|---|---|
| <p>Sd/- V SRIDHARA CHARY Proprietor Membership No 218343 Place : Hyderabad Date : 29th May, 2019</p> | <p>Sd/- S.D.M.RAO Chairman & Managing Director</p> | <p>Sd/- M.N.THAKKAR Director</p> | <p>Sd/- DINKER MISHRA Company Secretary Membership No. ACS48511</p> |
|---|--|---|---|

For and on behalf of the Board of Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Rs. In Lakhs

| Particulars | Year Ended March 2019 | Year Ended March 2018 |
|---|--------------------------|--------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax and exceptional items | 3175.20 | 2928.30 |
| ADJUSTMENTS FOR: | | |
| Depreciation | 1205.97 | 1305.18 |
| provision written back | 0.23 | 0.00 |
| Sales Tax Deferment | -170.43 | -184.22 |
| Interest | 143.75 | 128.51 |
| Interest earned | 21.85 | 10.02 |
| Gratuity provision | 50.00 | 69.59 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 4426.57 | 4257.38 |
| ADJUSTMENTS FOR: | | |
| increase in receivables | -387.00 | 54.82 |
| increase in inventories | -86.31 | -313.06 |
| increase in loans and advances | -103.69 | 144.96 |
| decrease in payables | 105.52 | -478.28 |
| CASH GENERATED FROM OPERATIONS | 3955.09 | 3665.82 |
| Interest paid | 143.75 | 128.51 |
| Taxes paid | 1029.32 | 842.11 |
| Gratuity paid | 58.30 | 26.88 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 2723.72 | 2668.32 |
| Net Increase in Bank Borrowings | | |
| Net Increase in Cash Flow | 2723.72 | 2668.32 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets(NET OF SALE) | 2113.31 | 2504.05 |
| Interest received | 21.85 | 10.02 |
| Term Loans | 0 | 0.00 |
| NET CASH USED IN INVESTING ACTIVITIES | 2135.16 | 2514.07 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Unsecured Loans | | |
| Increase (Decrease) in Working Capital Loan (net of payments) | -58.91 | 89.76 |
| Dividend and Dividend tax | -596.73 | -531.89 |
| NET CASH USED IN FINANCING ACTIVITIES | -655.64 | -442.13 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | -67.08 | -287.88 |
| CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR | 137.44 | 425.31 |
| CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR | 70.36 | 137.44 |

NOTES: The above Cash Flow statement has been prepared under the indirect method as set out in the accounting standard-3 on Cash Flow statements.(IND AS-7) The previous figures were re-grouped as per current year
This is the Cash Flow Statement referred to in our report of even date

SRIDHARA CHARY V & CO

For and on behalf of the Board of Directors

Chartered Accountants

Firm Regn No. 011478S

| | | | |
|---|---|--|--|
| Sd/- V SRIDHARA CHARY Proprietor Membership No 218343 Place : Hyderabad Date : 29 th May, 2019 | Sd/- S.D.M.RAO Chairman & Managing Director | Sd/- M.N.THAKKAR Director | Sd/- DINKER MISHRA Company Secretary Membership No. ACS48511 |
|---|---|--|--|

XL Softech Systems Ltd
#3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500034
Ph: 040-23545913 / 14, e-mail: xlfield@gmail.com

Dated: 20th August, 2019

UPDATE/PAN & BANK DETAILS

Dear Shareholder,

UNIT : Samkrp Pistons and Rings Limited

SUBJECT : Update PAN & Bank Details

On behalf of the Company, We wish to inform you that SEBI vide its Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, has streamline and strengthen the procedures for transfer of securities and payment of dividend. In this regard, SEBI has instructed the Company/RTA to inform all the shareholders who are holding shares in Physical and whose PAN and bank details has not been updated in Company/RTA records.

Further, SEBI has mandated to credit dividend, if any, directly to the Bank account of shareholders through NEFT/RTGS. Hence, we request you to update your bank details by sending following documents to the below mentioned address-

1. Request letter (Format attached)
2. Self-attested copy of PAN
3. Self-attested copy latest address proof.
4. Original cancelled cheque leaf / attested bank passbook showing name of account holder

Registrar and Share Transfer Agent (RTA)
XL Softech Systems Limited
(Unit- Samkrp Pistons and Rings Limited)
3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad - 500 034.
Phone: 040 23545913/14/15
Email: xlfield@gmail.com

You are requested to send all the above mentioned documents to our RTA at the above mentioned address within 21 days from the date of this letter. Please note that you need not send any communication to the Company address, related to this matter.

**We suggest you to dematerialize your holdings to enjoy the benefits at fullest and to avoid the demerits of holding physical shares.*

For XL SOFTECH SYSTEMS LIMITED

Sd/-

R RAM PRASAD
REGISTRARS

To
XL Softech Systems Limited
Unit: Samkrp Pistons and Rings Limited
3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad - 500 034.
Phone: 040 23545913/14/15
Fax: 040 23545915
Email: xlfield@gmail.com

UPDATION OF PAN AND BANK DETAILS

Dated: _____

Dear Sir,
In response to your letter ref no. SAMKRG/SHAREHOLDERS/UPDATE/PAN & BANK DETAILS- LETTER-1, I/We am/ are sending you the following details and documents as requested by you-

Name : _____

Joint Name : _____

Address of the shareholder : _____

Phone No : _____

Email : _____

Folio No / DP ID & Client ID : _____

Bank Details : _____

Name of Holder : _____

Account No : _____

Bank Name : _____

Branch : _____

IFSC Code : _____

MICR Code : _____

Signature of the Shareholder

Encl:

1. Self-attested copy of PAN
2. Self-attested copy latest address proof.
3. Original cancelled cheque leaf /attested bank passbook showing name of account holder

SAMKRG PISTONS AND RINGS LIMITED

CIN: L27310TG1985PLC005423

Regd. Office: 1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500016

33rd ANNUAL REPORT 2018-19

Attendance Slip

Folio No. / DP ID and Client ID :

No. of shares:

Name and address of
First / Sole Member:

I certify that I am a member / Proxy for a member of the Company. I hereby record my presence at the 33rd Annual General Meeting of the Company. At Hotel Grandeur, Beside New Science College, Main Road Ameerpet, Hyderabad 500073, Telangana at 11.00 a.m on Tuesday, the 24th September, 2019.

Name of the Member / Proxy
(Block Letters)

Signature of the Member / Proxy

Note:

- 1 Member / Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.
- 2 No gifts will be given.
- 3 Applicable for Investors holding shares in electronic form.
- 4 Strike out whichever is not applicable.

SAMKRG PISTONS AND RINGS LIMITED

CIN: L27310TG1985PLC005423

Regd. Office: 1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500016

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014]

| | | | |
|-----------------------|--|--------|--|
| Name of the Member(s) | | | |
| Registered Address | | | |
| E-mail ID | | | |
| Folio No. / Client ID | | DP ID: | |

I / We, being the Member(s) of _____ shares of the above named Company, hereby appoint.

| | | | |
|---|----------|-----------|----------------|
| 1 | Name | | |
| | Address | | |
| | Email ID | Signature | or failing him |
| 2 | Name | | |
| | Address | | |
| | Email ID | Signature | or failing him |
| 3 | Name | | |
| | Address | | |
| | Email ID | Signature | or failing him |

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 33rd Annual General Meeting of the Company to be held on 24th September, 2019 at 11.00 A.M at Hotel Grandeur, Beside New Science College, Main Road, Ameerpet, Hyderabad - 500073, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

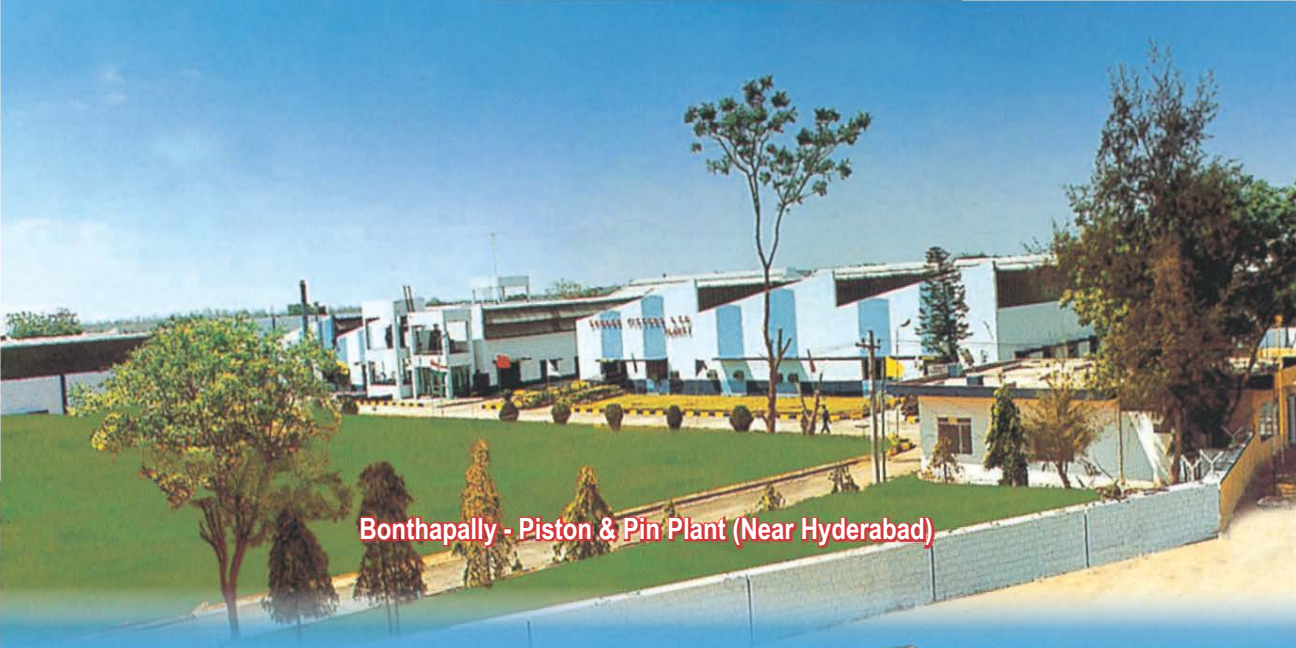
| Sl.No | Resolutions | For | Against |
|-------|--|-----|---------|
| 1 | To Consider and adopt the Audited Financial Statements of the Company for the Financial Year 2018-19 together with the report of the Board of Directors and Auditors thereon | | |
| 2 | To declare Dividend of Rs. 5/- per Equity Share of Rs. 10/- each to the shareholder for the Financial Year 2018-19. | | |
| 3 | To appoint a Director in place of Shri S Karunakar, who retires by rotation and being eligible, offers himself for re-appointment as director. | | |
| 4 | Re-appointment of Shri S.D.M. Rao, Managing Director for a period of next 3 years. | | |
| 5 | Re-appointment of Shri M.N. Thakkar, Director for a period of next 5 years. | | |
| 6 | Appointment of Shri K. Chaitanya Abhishekh, Director for a period of next 5 years. | | |
| 7 | Appointment of Shri Pinninti Raghuram Prakash Swamy, Director for a period of next 5 years. | | |

Signed this _____ day of _____ 2019.

Signature of Shareholder: _____ Signature of Proxy Holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting.



Bonthapally - Piston & Pin Plant (Near Hyderabad)



Varisam - Rings Plant (Near Visakhapatnam)



Akkivalasa - Piston & Pin Plant (Near Visakhapatnam)

**PRINTED MATTER
BOOK - POST**

If undelivered please return to:



SAMKRG PISTONS AND RINGS LIMITED

(AN ISO 9001:2015 IATF 16949:2016 Company)

Registered Office:

1-201, Divyashakti Complex, 7-1-58, Ameerpet, Hyderabad - 500 016.

E-mail: admin@samkrg.com

Website: www.samkrgpistonsandrings.com